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PUBLIC SERVICE COMMISSION
OF WISCONSIN

Classes A and B

PRIVATE UTILITY

2004 MAR 30 P 2:40

RECEIVED

ANNUAL REPORT

OF

NAME Superior Water, Light and Power Company

PRINCIPAL OFFICE 2915 Hill Avenue, Superior, WI

FOR THE YEAR ENDED December 31, 2003

ELECTRIC, WATER, OR GAS UTILITY

TO

PUBLIC SERVICE COMMISSION OF WISCONSIN

P. O. Box 7854
Madison, WI 53707-7854
(608) 266-3766

This form is required under Section 196.07, Wis. Stats. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Section 196.66, Wis. Stats. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

General Rules For Reporting

1. Prepare the report in conformity with the Uniform System of Accounts prescribed by the Public Service Commission of Wisconsin.
2. The original copy filed with the Commission must be typed with a black ribbon on the original forms supplied by the Commission unless other forms have been preapproved.
3. Numeric items may contain digits (0-9), a decimal point, and a minus sign "-". Parentheses may also be used to indicate negative values.
4. The annual report should be complete in itself in all particulars. Reference to returns of former years or to other reports should not be made to take the place of required entries except as otherwise specifically authorized.
5. Where information called for herein is not given, state fully the reason for its omission. If the answer to any query is "none" or if any of the schedules are not applicable to the reporting utility, the word "none" should be filled in the space provided for answer or the words "not applicable" should be written across space on the schedules for amounts.
6. If more than one page is required to complete a schedule, type "1" after "Copy" on the top of the first page. Type consecutive numbers, beginning with "2", after "Copy" on the following identical pages.
7. Do not modify account titles. If it is necessary or desirable, insert additional statements for the purpose of further explanation of schedules. Each insert sheet should bear the title of the schedule to which it pertains.
8. Whenever schedules call for data from the previous year, the data reported must be based upon those shown by the annual report of the previous year or an appropriate explanation given why different data were used.
9. Where part or all of the report is prepared by other than utility personnel, a disclosure should be included in the notes to the income statement or the balance sheet which describes the nature and extent of work performed.
10. The four digit ID number at the top of the page must be typed along with the year of the report and the copy number. Contact the Commission, if you don't know your ID number.

**INSTRUCTIONS FOR FILING THE
FERC FORM NO. 1**

GENERAL INFORMATION

I. Purpose

This form is a regulatory support requirement (18 CFR 141.1). It is designed to collect financial and operational information from major electric utilities, Licensees and others subject to the jurisdiction of the Federal Energy Regulatory Commission. This report is also secondarily considered to be a nonconfidential public use form supporting a statistical publication (Financial Statistics of Selected Electric Utilities), published by the Energy Information Administration.

II. Who Must Submit

Each major electric utility, licensee, or other, as classified in the Commission's Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject to the Provisions of The Federal Power Act (18 CFR 101), must submit this form.

Note: Major means having, in each of the three previous calendar years, sales or transmission service that exceeds

one of the following:

- (1) one million megawatt hours of total annual sales,
- (2) 100 megawatt hours of annual sales for resale,
- (3) 500 megawatt hours of annual power exchanges delivered, or
- (4) 500 megawatt hours of annual wheeling for others (deliveries plus Losses).

III. What and Where to Submit

(a) Submit this form electronically through the Form 1 Submission Software and an original and six (6) conformed paper copies, properly filed in and attested, to:

Office of the Secretary
Federal Energy Regulatory Commission
888 First Street, NE.
Room 1A
Washington, DC 20426

Retain one copy of this report for your files.

Include with the original and each conformed paper copy of this form the subscription statement required by 18 C.F.R. 385.2011(c)(5). Paragraph (c)(5) of 18 C.F.R. 385.2011 requires each respondent submitting data electronically to file a subscription stating that the paper copies contain the same information as the electronic filing, that the signer knows the contents of the paper copies and electronic filing, and that the contents as stated in the copies and electronic filing are true to the best knowledge and belief of the signer.

(b) Submit, immediately upon publication, four (4) copies of the Latest annual report to stockholders and any annual financial or statistical report regularly prepared and distributed to bondholders, security analysts, or industry associations. (Do not include monthly and quarterly reports. Indicate by checking the appropriate box on Page 4, List of Schedules, if the reports to stockholders will be submitted or if no annual report to stockholders is prepared.) Mail these reports to:

Chief Accountant
Federal Energy Regulatory Commission
888 First Street, NE.
Washington, DC 20426

(c) For the CPA certification, submit with the original submission, or within 30 days after the filing date for this form, a Letter or report (not applicable to respondents classified as Class C or Class D prior to January 1, 1984):

(i) Attesting to the conformity, in all material aspects, of the below listed (schedules and) pages with the Commission's applicable Uniform Systems of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and

(ii) Signed by independent certified public accountants or an independent Licensed public accountant certified or Licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 CFR 41.10-41.12 for specific qualifications.)

III. What and Where to Submit (Continued)

(c) Continued

| Schedules | Reference Pages |
|--------------------------------|--------------------|
| Comparative Balance Sheet | 110-113 |
| Statement of Income | 114-117 |
| Statement of Retained Earnings | 118-119 |
| Statement of Cash Flows | 120-121 |
| Notes to Financial Statements | 122-123 |

When accompanying this form, insert the Letter or report immediately following the cover sheet. When submitting after the filing date for this form, send the letter or report to the office of the Secretary at the address indicated at III (a).

Use the following format for the Letter or report unless unusual circumstances or conditions, explained in the Letter or report, demand that it be varied. Insert parenthetical phrases only when exceptions are reported.

In connection with our regular examination of the financial statements of _____ for the year ended on which we have reported separately under date of _____. We have also reviewed schedules _____ of FERC Form No. 1 for the year filed with the Federal Energy Regulatory Commission, for conformity in all material respects with the requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Our review for this purpose included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Based on our review, in our opinion the accompanying schedules identified in the preceding paragraph (except as noted below) conform in all material respects with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases.

State in the letter or report, which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist.

(d) Federal, State and Local Governments and other authorized users may obtain additional blank copies to meet their requirements free of charge from:

Public Reference and Files Maintenance Branch
Federal Energy Regulatory Commission
888 First Street, NE. Room 2A ES-1
Washington, DC 20426
(202) 208-2474

IV. When to Submit

Submit this report form on or before April 30th of the year following the year covered by this report.

V. Where to Send Comments on Public Reporting Burden

The public reporting burden for this collection of information is estimated to average 1,217 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any aspect of this collection of information, including suggestions for reducing this burden, to the Federal Energy Regulatory Commission, 888 First Street N.E., Washington, DC 20426 (Attention: Mr. Michael Miller, CI-1); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission). No person shall be subject to any penalty if this collection of information does not display a valid control number. (44 U.S.C. 3512(a)).

GENERAL INSTRUCTIONS

- I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR 101) (U.S. of A.). Interpret all accounting words and phrases in accordance with the U. S. of A.
- II. Enter in whole numbers (dollars or MWH) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting year, and use for statement of income accounts the current year's amounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
- IV. For any page(s) that is not applicable to the respondent, omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2, 3, and 4.
- V. Enter the month, day, and year for all dates. Use customary abbreviations. The "Date of Report" included in the header of each page is to be completed only for resubmissions (see VII. below). The date of the resubmission must be reported in the header for all form pages, whether or not they are changed from the previous filing.
- VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.
- VII. For any resubmissions, submit the electronic filing using the Form 1 Submission Software and an original and six (6) conformed paper copies of the entire form, as well as the appropriate number of copies of the subscription statement indicated at instruction III (a). Resubmissions must be numbered sequentially on the cover page of the paper copies of the form. In addition, the cover page of each paper copy must indicate that the filing is a resubmission. Send the resubmissions to the address indicated at instruction III (a).
- VIII. Do not make references to reports of previous years or to other reports in lieu of required entries, except as specifically authorized.
- IX. Wherever (schedule) pages refer to figures from a previous year, the figures reported must be based upon those shown by the annual report of the previous year, or an appropriate explanation given as to why the different figures were used.

DEFINITIONS

- I. Commission Authorization (Comm. Auth.) -- The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.
- II. Respondent -- The person, corporation, licensee, agency, authority, or other Legal entity or instrumentality in whose behalf the report is made.

Federal Power Act, 16 U.S.C. 791a-825r)

"Sec. 3. The words defined in this section shall have the following meanings for purposes of this Act, to wit:
 ... (3) "Corporation" means any corporation, joint-stock company, partnership, association, business trust, organized group of persons, whether incorporated or not, or a receiver or receivers, trustee or trustees of any of the foregoing. It shall not include 'municipalities, as hereinafter defined;

(4) "Person" means an individual or a corporation;

(5) "Licensee" means any person, State, or municipality Licensed under the provisions of section 4 of this Act, and any assignee or successor in interest thereof;

(7) "Municipality" means a city, county, irrigation district, drainage district, or other political subdivision or agency of a State competent under the Laws thereof to carry on the business of developing, transmitting, unitizing, or distributing power;..."

(11) "Project" means a complete unit of improvement or development, consisting of a power house, all water conduits, all dams and appurtenant works and structures (including navigation structures) which are a part of said unit, and all storage, diverting, or forebay reservoirs directly connected therewith, the primary line or Lines transmitting power therefrom to the point of junction with the distribution system or with the interconnected primary transmission system, all miscellaneous structures used and useful in connection with said unit or any part thereof, and all water rights, rights-of-way, ditches, dams, reservoirs, Lands, or interest in Lands the use and occupancy of which are necessary or appropriate in the maintenance and operation of such unit;

"Sec. 4. The Commission is hereby authorized and empowered:

(a) To make investigations and to collect and record data concerning the utilization of the water 'resources of any region to be developed, the water-power industry and its relation to other industries and to interstate or foreign commerce, and concerning the location, capacity, development costs, and relation to markets of power sites; ... to the extent the Commission may deem necessary or useful for the purposes of this Act."


"Sec. 304. (a) Every Licensee and every public utility shall file with the Commission such annual and other periodic or special reports as the Commission may by rules and regulations or other prescribe as necessary or appropriate to assist the Commission in the proper administration of this Act. The Commission may prescribe the manner and form in which such reports shall be made, and require from such persons specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and Liabilities, capitalization, net investment, and reduction thereof, gross receipts, interest due and paid, depreciation, and other reserves, cost of project and other facilities, cost of maintenance and operation of the project and other facilities, cost of renewals and replacement of the project works and other facilities, depreciation, generation, transmission, distribution, delivery, use, and sale of electric energy. The Commission may require any such person to make adequate provision for currently determining such costs and other facts. Such reports shall be made under oath unless the Commission otherwise specifies."

"Sec. 309. The Commission shall have power to perform any and all acts, and to prescribe, issue, make, and rescind such orders, rules and regulations as it may find necessary or appropriate to carry out the provisions of this Act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this Act; and may prescribe the form or forms of all statements, declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and the time within which they shall be filed..."

 General Penalties

"Sec. 315. (a) Any licensee or public utility which willfully fails, within the time prescribed by the Commission, to comply with any order of the Commission, to file any report required under this Act or any rule or regulation of the Commission thereunder, to submit any information of document required by the Commission in the course of an investigation conducted under this Act ... shall forfeit to the United States an amount not exceeding \$1,000 to be fixed by the Commission after notice and opportunity for hearing..."

FERC FORM NO. 1:
ANNUAL REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHER

| IDENTIFICATION | | |
|--|---|--|
| 01 Exact Legal Name of Respondent Superior Water, Light and Power Company | 02 Year of Report Dec. 31, <u>2003</u> | |
| 03 Previous Name and Date of Change (if name changed during year) <div style="text-align: center;">/ /</div> | | |
| 04 Address of Principal Office at End of Year (Street, City, State, Zip Code) 2915 Hill Avenue Post Office Box 519 Superior, WI 54880 | | |
| 05 Name of Contact Person Gary A Hoffman | 06 Title of Contact Person Treasurer | |
| 07 Address of Contact Person (Street, City, State, Zip Code) 30 West Superior Street Duluth, MN 55802 | | |
| 08 Telephone of Contact Person, Including Area Code (218) 722-2641 | 09 This Report Is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | 10 Date of Report (Mo, Da, Yr) <div style="text-align: center;">/ /</div> |
| ATTESTATION | | |
| The undersigned officer certifies that he/she has examined the accompanying report: that to the best of his/her knowledge, information, and belief, all statements of fact contained in the accompanying report are true and the accompanying report is a correct statement of the business and affairs of the above named respondent in respect to each and every matter set forth therein during the period from and including January 1 to and including December 31 of the year of the report. | | |
| 01 Name Gary A Hoffman | 03 Signature  | 04 Date Signed (Mo, Da, Yr) <div style="text-align: center;">11/3/29/04</div> |
| 02 Title Treasurer | | |
| Title 18, U.S.C. 1001 makes it a crime for any person to knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction. | | |

| | | | |
|---|---|---------------------------------------|---------------------------------|
| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|---|---------------------------------------|---------------------------------|

LIST OF SCHEDULES (Electric Utility)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

| Line No. | Title of Schedule (a) | Reference Page No. (b) | Remarks (c) |
|----------|--|---------------------------|----------------|
| 1 | General Information | 101 | |
| 2 | Control Over Respondent | 102 | |
| 3 | Corporations Controlled by Respondent | 103 | None |
| 4 | Officers | 104 | |
| 5 | Directors | 105 | |
| 6 | Important Changes During the Year | 108-109 | |
| 7 | Comparative Balance Sheet | 110-113 | |
| 8 | Statement of Income for the Year | 114-117 | |
| 9 | Statement of Retained Earnings for the Year | 118-119 | |
| 10 | Statement of Cash Flows | 120-121 | |
| 11 | Notes to Financial Statements | 122-123 | |
| 12 | Statement of Accum Comp Income, Comp Income, and Hedging Activities | 122(a)(b) | None |
| 13 | Summary of Utility Plant & Accumulated Provisions for Dep, Amort & Dep | 200-201 | |
| 14 | Nuclear Fuel Materials | 202-203 | None |
| 15 | Electric Plant in Service | 204-207 | |
| 16 | Electric Plant Leased to Others | 213 | None |
| 17 | Electric Plant Held for Future Use | 214 | |
| 18 | Construction Work in Progress-Electric | 216 | |
| 19 | Accumulated Provision for Depreciation of Electric Utility Plant | 219 | |
| 20 | Investment of Subsidiary Companies | 224-225 | None |
| 21 | Materials and Supplies | 227 | |
| 22 | Allowances | 228-229 | None |
| 23 | Extraordinary Property Losses | 230 | None |
| 24 | Unrecovered Plant and Regulatory Study Costs | 230 | None |
| 25 | Other Regulatory Assets | 232 | |
| 26 | Miscellaneous Deferred Debits | 233 | |
| 27 | Accumulated Deferred Income Taxes | 234 | |
| 28 | Capital Stock | 250-251 | |
| 29 | Other Paid-in Capital | 253 | |
| 30 | Capital Stock Expense | 254 | None |
| 31 | Long-Term Debit | 256-257 | |
| 32 | Reconciliation of Reported Net Income with Taxable Inc for Fed Inc Tax | 261 | |
| 33 | Taxes Accrued, Prepaid and Charged During the Year | 262-263 | |
| 34 | Accumulated Deferred Investment Tax Credits | 266-267 | |
| 35 | Other Deferred Credits | 269 | |
| 36 | Accumulated Deferred Income Taxes-Accelerated Amortization Property | 272-273 | None |
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|---|---|---------------------------------------|---------------------------------|
| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|---|---------------------------------------|---------------------------------|

LIST OF SCHEDULES (Electric Utility) (continued)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

| Line No. | Title of Schedule (a) | Reference Page No. (b) | Remarks (c) |
|----------|---|---------------------------|----------------|
| 37 | Accumulated Deferred Income Taxes-Other Property | 274-275 | |
| 38 | Accumulated Deferred Income Taxes-Other | 276-277 | |
| 39 | Other Regulatory Liabilities | 278 | |
| 40 | Electric Operating Revenues | 300-301 | |
| 41 | Sales of Electricity by Rate Schedules | 304 | |
| 42 | Sales for Resale | 310-311 | None |
| 43 | Electric Operation and Maintenance Expenses | 320-323 | |
| 44 | Purchased Power | 326-327 | |
| 45 | Transmission of Electricity for Others | 328-330 | |
| 46 | Transmission of Electricity by Others | 332 | None |
| 47 | Miscellaneous General Expenses-Electric | 335 | |
| 48 | Depreciation and Amortization of Electric Plant | 336-337 | |
| 49 | Regulatory Commission Expenses | 350-351 | |
| 50 | Research, Development and Demonstration Activities | 352-353 | None |
| 51 | Distribution of Salaries and Wages | 354-355 | |
| 52 | Common Utility Plant and Expenses | 356 | |
| 53 | Electric Energy Account | 401 | |
| 54 | Monthly Peaks and Output | 401 | |
| 55 | Steam Electric Generating Plant Statistics (Large Plants) | 402-403 | None |
| 56 | Hydroelectric Generating Plant Statistics (Large Plants) | 406-407 | None |
| 57 | Pumped Storage Generating Plant Statistics (Large Plants) | 408-409 | None |
| 58 | Generating Plant Statistics (Small Plants) | 410-411 | None |
| 59 | Transmission Line Statistics | 422-423 | |
| 60 | Transmission Lines Added During Year | 424-425 | None |
| 61 | Substations | 426-427 | |
| 62 | Footnote Data | 450 | |

Stockholders' Reports Check appropriate box:

- ☐ Four copies will be submitted
☒ No annual report to stockholders is prepared

| | | | |
|--|--|--|---|
| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, <u>2003</u> |
|--|--|--|---|

GENERAL INFORMATION

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

Gary A Hoffman
Treasurer
2915 Hill Avenue, Post Office Box 519
Superior, Wisconsin 54880

2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

Wisconsin
September 28, 1889

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

None

4. State the classes or utility and other services furnished by respondent during the year in each State in which the respondent operated.

Electric, gas and water. All in the state of Wisconsin.

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

(1) ☐ Yes...Enter the date when such independent accountant was initially engaged:
 (2) ☒ No

| | | | |
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| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, <u>2003</u> |
| CONTROL OVER RESPONDENT | | | |
| <p>1. If any corporation, business trust, or similar organization or a combination of such organizations jointly held control over the respondent at the end of the year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiaries for whom trust was maintained, and purpose of the trust.</p> | | | |
| <p>ALLETE, Inc., 30 West Superior Street, Duluth, Minnesota 55802, has such degree of control over the respondent as is inherent in the ownership of 100% of the voting stock of the respondent.</p> | | | |

| | | | |
|---|---|---------------------------------------|---------------------------------|
| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|---|---------------------------------------|---------------------------------|

OFFICERS

1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.
2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.

| Line No. | Title (a) | Name of Officer (b) | Salary for Year (c) |
|----------|---------------------------------------|------------------------|------------------------|
| 1 | President and Chief Executive Officer | Roger P Engle | 213,567 |
| 2 | Treasurer | Gary A Hoffman | 83,396 |
| 3 | Assistant Treasurer | William S Bombich | 103,182 |
| 4 | Secretary | Janet A Blake | 39,534 |
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| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|---|---------------------------------------|---------------------------------|

DIRECTORS

1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.
2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.

| Line No. | Name (and Title) of Director (a) | Principal Business Address (b) |
|----------|---|--|
| 1 | Robert J Adams | Vice President, Minnesota Power |
| 2 | | 30 West Superior Street, Duluth, MN 55802 |
| 3 | | |
| 4 | Roger P Engle, President and CEO | President and CEO, Superior Water, Light and Power Company |
| 5 | | 2915 Hill Avenue, Superior, WI 54880 |
| 6 | | |
| 7 | Donald J Shippar, Chairman of the Board | President and COO, Minnesota Power |
| 8 | | 30 West Superior Street, Duluth, MN 55802 |
| 9 | | |
| 10 | Claudia S Welty | Vice President, Minnesota Power |
| 11 | | 30 West Superior Street, Duluth, MN 55802 |
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| 13 | Patrick K Mullen | Vice President, Minnesota Power |
| 14 | | 30 West Superior Street, Duluth, MN 55802 |
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| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report / / | Year of Report Dec. 31, 2003 |
|---|---|-----------------------|---------------------------------|

IMPORTANT CHANGES DURING THE YEAR

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none," "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

- Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.
- Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
- Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.
- Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization.
- Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
- Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.
- Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
- State the estimated annual effect and nature of any important wage scale changes during the year.
- State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
- Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 106, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
- (Reserved.)
- If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page.

PAGE 108 INTENTIONALLY LEFT BLANK
SEE PAGE 109 FOR REQUIRED INFORMATION.

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|---|---|---------------------------------------|--------------------------------|
| Name of Respondent Superior Water, Light and Power Company | This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec 31, 2003 |
| IMPORTANT CHANGES DURING THE YEAR (Continued) | | | |

- 1-5 None
- 6 During 2003 the Company issued and had outstanding \$6,100,000 of short-term debt. Authorization for this borrowing was requested of the Public Service Commission of Wisconsin in Docket 5820-SB-115.
- 7 None
- 8 A wage increase of approximately 2.75% annually became effective for Union employees on February 1, 2003.
- 9-12 None

| | | | |
|---|---|---------------------------------------|---------------------------------|
| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|---|---------------------------------------|---------------------------------|

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

| Line No. | Title of Account (a) | Ref. Page No. (b) | Balance at Beginning of Year (c) | Balance at End of Year (d) |
|-----------|--|-------------------------|--|----------------------------------|
| 1 | UTILITY PLANT | | | |
| 2 | Utility Plant (101-106, 114) | 200-201 | 75,062,189 | 77,614,503 |
| 3 | Construction Work in Progress (107) | 200-201 | 2,651,946 | 1,215,969 |
| 4 | TOTAL Utility Plant (Enter Total of lines 2 and 3) | | 77,714,135 | 78,830,472 |
| 5 | (Less) Accum. Prov. for Depr. Amort. Depl. (108, 111, 115) | 200-201 | 30,352,558 | 31,869,086 |
| 6 | Net Utility Plant (Enter Total of line 4 less 5) | | 47,361,577 | 46,961,386 |
| 7 | Nuclear Fuel (120.1-120.4, 120.6) | 202-203 | 0 | 0 |
| 8 | (Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5) | 202-203 | 0 | 0 |
| 9 | Net Nuclear Fuel (Enter Total of line 7 less 8) | | 0 | 0 |
| 10 | Net Utility Plant (Enter Total of lines 6 and 9) | | 47,361,577 | 46,961,386 |
| 11 | Utility Plant Adjustments (116) | 122 | 0 | 0 |
| 12 | Gas Stored Underground - Noncurrent (117) | | 0 | 0 |
| 13 | OTHER PROPERTY AND INVESTMENTS | | | |
| 14 | Nonutility Property (121) | | 41,882 | 41,882 |
| 15 | (Less) Accum. Prov. for Depr. and Amort. (122) | | 0 | 0 |
| 16 | Investments in Associated Companies (123) | | 0 | 0 |
| 17 | Investment in Subsidiary Companies (123.1) | 224-225 | 0 | 0 |
| 18 | (For Cost of Account 123.1, See Footnote Page 224, line 42) | | | |
| 19 | Noncurrent Portion of Allowances | 228-229 | 0 | 0 |
| 20 | Other Investments (124) | | 19,865 | 20,757 |
| 21 | Special Funds (125-128) | | 0 | 0 |
| 22 | TOTAL Other Property and Investments (Total of lines 14-17,19-21) | | 61,747 | 62,639 |
| 23 | CURRENT AND ACCRUED ASSETS | | | |
| 24 | Cash (131) | | -4,142 | 291,042 |
| 25 | Special Deposits (132-134) | | 0 | 0 |
| 26 | Working Fund (135) | | 5,500 | 5,500 |
| 27 | Temporary Cash Investments (136) | | 0 | 0 |
| 28 | Notes Receivable (141) | | 0 | 0 |
| 29 | Customer Accounts Receivable (142) | | 3,859,856 | 4,446,774 |
| 30 | Other Accounts Receivable (143) | | 535,805 | 544,929 |
| 31 | (Less) Accum. Prov. for Uncollectible Acct.-Credit (144) | | 396,610 | 215,584 |
| 32 | Notes Receivable from Associated Companies (145) | | 0 | 0 |
| 33 | Accounts Receivable from Assoc. Companies (146) | | 552,100 | 0 |
| 34 | Fuel Stock (151) | 227 | 0 | 0 |
| 35 | Fuel Stock Expenses Undistributed (152) | 227 | 0 | 0 |
| 36 | Residuals (Elec) and Extracted Products (153) | 227 | 0 | 0 |
| 37 | Plant Materials and Operating Supplies (154) | 227 | 365,916 | 392,927 |
| 38 | Merchandise (155) | 227 | 0 | 0 |
| 39 | Other Materials and Supplies (156) | 227 | 0 | 0 |
| 40 | Nuclear Materials Held for Sale (157) | 202-203/227 | 0 | 0 |
| 41 | Allowances (158.1 and 158.2) | 228-229 | 0 | 0 |
| 42 | (Less) Noncurrent Portion of Allowances | | 0 | 0 |
| 43 | Stores Expense Undistributed (163) | 227 | -2,720 | -607 |
| 44 | Gas Stored Underground - Current (164.1) | | 775,118 | 1,087,876 |
| 45 | Liquefied Natural Gas Stored and Held for Processing (164.2-164.3) | | 0 | 0 |
| 46 | Prepayments (165) | | 1,008,163 | 1,293,981 |
| 47 | Advances for Gas (166-167) | | 0 | 0 |
| 48 | Interest and Dividends Receivable (171) | | 0 | 0 |
| 49 | Rents Receivable (172) | | 0 | 0 |
| 50 | Accrued Utility Revenues (173) | | 2,349,730 | 2,732,750 |
| 51 | Miscellaneous Current and Accrued Assets (174) | | -35,136 | -19,901 |
| 52 | Derivative Instrument Assets (175) | | 0 | 0 |
| | | | | |

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|---|---|---------------------------------------|---------------------------------|
| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|---|---------------------------------------|---------------------------------|

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)(Continued)

| Line No. | Title of Account (a) | Ref. Page No. (b) | Balance at Beginning of Year (c) | Balance at End of Year (d) |
|----------|--|-------------------------|--|----------------------------------|
| 53 | Derivative Instrument Assets - Hedges (176) | | 0 | 0 |
| 54 | TOTAL Current and Accrued Assets (Enter Total of lines 24 thru 53) | | 9,013,580 | 10,559,687 |
| 55 | DEFERRED DEBITS | | | |
| 56 | Unamortized Debt Expenses (181) | | 186,955 | 75,263 |
| 57 | Extraordinary Property Losses (182.1) | 230 | 0 | 0 |
| 58 | Unrecovered Plant and Regulatory Study Costs (182.2) | 230 | 0 | 0 |
| 59 | Other Regulatory Assets (182.3) | 232 | 139,545 | 242,233 |
| 60 | Prelim. Survey and Investigation Charges (Electric) (183) | | 10,555 | 11,083 |
| 61 | Prelim. Sur. and Invest. Charges (Gas) (183.1, 183.2) | | 0 | 0 |
| 62 | Clearing Accounts (184) | | 13,684 | 21,816 |
| 63 | Temporary Facilities (185) | | 0 | 0 |
| 64 | Miscellaneous Deferred Debits (186) | 233 | 2,242,992 | 2,739,398 |
| 65 | Def. Losses from Disposition of Utility Plt. (187) | | 0 | 0 |
| 66 | Research, Devel. and Demonstration Expend. (188) | 352-353 | 0 | 0 |
| 67 | Unamortized Loss on Reacquired Debt (189) | | 0 | 0 |
| 68 | Accumulated Deferred Income Taxes (190) | 234 | 3,583,366 | 3,700,362 |
| 69 | Unrecovered Purchased Gas Costs (191) | | 0 | 0 |
| 70 | TOTAL Deferred Debits (Enter Total of lines 56 thru 69) | | 6,177,097 | 6,790,155 |
| 71 | TOTAL Assets and Other Debits (Enter Total of lines 10,11,12,22,54,70) | | 62,614,001 | 64,373,867 |

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|---|---|---------------------------------------|---------------------------------|
| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|---|---------------------------------------|---------------------------------|

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

| Line No. | Title of Account (a) | Ref. Page No. (b) | Balance at Beginning of Year (c) | Balance at End of Year (d) |
|----------|--|-------------------------|--|----------------------------------|
| 1 | PROPRIETARY CAPITAL | | | |
| 2 | Common Stock Issued (201) | 250-251 | 5,200,000 | 5,200,000 |
| 3 | Preferred Stock Issued (204) | 250-251 | 0 | 0 |
| 4 | Capital Stock Subscribed (202, 205) | 252 | 0 | 0 |
| 5 | Stock Liability for Conversion (203, 206) | 252 | 0 | 0 |
| 6 | Premium on Capital Stock (207) | 252 | 0 | 0 |
| 7 | Other Paid-In Capital (208-211) | 253 | 740,496 | 788,952 |
| 8 | Installments Received on Capital Stock (212) | 252 | 0 | 0 |
| 9 | (Less) Discount on Capital Stock (213) | 254 | 0 | 0 |
| 10 | (Less) Capital Stock Expense (214) | 254 | 0 | 0 |
| 11 | Retained Earnings (215, 215.1, 216) | 118-119 | 15,768,655 | 16,142,788 |
| 12 | Unappropriated Undistributed Subsidiary Earnings (216.1) | 118-119 | 0 | 0 |
| 13 | (Less) Reaquired Capital Stock (217) | 250-251 | 0 | 0 |
| 14 | Accumulated Other Comprehensive Income (219) | 122(a)(b) | 0 | 0 |
| 15 | TOTAL Proprietary Capital (Enter Total of lines 2 thru 14) | | 21,709,151 | 22,131,740 |
| 16 | LONG-TERM DEBT | | | |
| 17 | Bonds (221) | 256-257 | 8,750,000 | 8,500,000 |
| 18 | (Less) Reaquired Bonds (222) | 256-257 | 0 | 0 |
| 19 | Advances from Associated Companies (223) | 256-257 | 0 | 0 |
| 20 | Other Long-Term Debt (224) | 256-257 | 7,350,000 | 7,350,000 |
| 21 | Unamortized Premium on Long-Term Debt (225) | | 0 | 0 |
| 22 | (Less) Unamortized Discount on Long-Term Debt-Debit (226) | | 98,591 | 93,356 |
| 23 | TOTAL Long-Term Debt (Enter Total of lines 17 thru 22) | | 16,001,409 | 15,756,644 |
| 24 | OTHER NONCURRENT LIABILITIES | | | |
| 25 | Obligations Under Capital Leases - Noncurrent (227) | | 0 | 0 |
| 26 | Accumulated Provision for Property Insurance (228.1) | | 0 | 0 |
| 27 | Accumulated Provision for Injuries and Damages (228.2) | | 200,000 | 200,000 |
| 28 | Accumulated Provision for Pensions and Benefits (228.3) | | 0 | 0 |
| 29 | Accumulated Miscellaneous Operating Provisions (228.4) | | 0 | 0 |
| 30 | Accumulated Provision for Rate Refunds (229) | | 0 | 0 |
| 31 | Asset Retirement Obligations (230) | | 0 | 124,507 |
| 32 | TOTAL OTHER Noncurrent Liabilities (Enter Total of lines 25 thru 31) | | 200,000 | 324,507 |
| 33 | CURRENT AND ACCRUED LIABILITIES | | | |
| 34 | Notes Payable (231) | | 0 | 0 |
| 35 | Accounts Payable (232) | | 1,366,520 | 1,521,270 |
| 36 | Notes Payable to Associated Companies (233) | | 5,800,000 | 5,600,000 |
| 37 | Accounts Payable to Associated Companies (234) | | 1,761,379 | 2,035,164 |
| 38 | Customer Deposits (235) | | 24,950 | 32,102 |
| 39 | Taxes Accrued (236) | 262-263 | 309,388 | -154,051 |
| 40 | Interest Accrued (237) | | 205,558 | 194,377 |
| 41 | Dividends Declared (238) | | 0 | 0 |
| 42 | Matured Long-Term Debt (239) | | 0 | 0 |
| 43 | Matured Interest (240) | | 0 | 0 |
| 44 | Tax Collections Payable (241) | | 133,766 | 184,222 |
| 45 | Miscellaneous Current and Accrued Liabilities (242) | | 1,657,534 | 2,192,661 |
| | | | | |

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| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|---|---------------------------------------|---------------------------------|

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)(Continued)

| Line No. | Title of Account (a) | Ref. Page No. (b) | Balance at Beginning of Year (c) | Balance at End of Year (d) |
|----------|---|-------------------------|--|----------------------------------|
| 46 | Obligations Under Capital Leases-Current (243) | | 0 | 0 |
| 47 | Derivative Instrument Liabilities (244) | | 0 | 0 |
| 48 | Derivative Instrument Liabilities - Hedges (245) | | 0 | 0 |
| 49 | TOTAL Current & Accrued Liabilities (Enter Total of lines 34 thru 48) | | 11,259,095 | 11,605,745 |
| 50 | DEFERRED CREDITS | | | |
| 51 | Customer Advances for Construction (252) | | 1,573,226 | 1,636,504 |
| 52 | Accumulated Deferred Investment Tax Credits (255) | 266-267 | 667,392 | 625,350 |
| 53 | Deferred Gains from Disposition of Utility Plant (256) | | 0 | 0 |
| 54 | Other Deferred Credits (253) | 269 | 1,918,036 | 2,601,824 |
| 55 | Other Regulatory Liabilities (254) | 278 | 2,684,732 | 2,401,371 |
| 56 | Unamortized Gain on Reaquired Debt (257) | | 0 | 0 |
| 57 | Accumulated Deferred Income Taxes (281-283) | 272-277 | 6,600,960 | 7,290,182 |
| 58 | TOTAL Deferred Credits (Enter Total of lines 51 thru 57) | | 13,444,346 | 14,555,231 |
| 59 | | | 0 | 0 |
| 60 | | | 0 | 0 |
| 61 | | | 0 | 0 |
| 62 | | | 0 | 0 |
| 63 | | | 0 | 0 |
| 64 | | | 0 | 0 |
| 65 | | | 0 | 0 |
| 66 | | | 0 | 0 |
| 67 | | | 0 | 0 |
| 68 | | | 0 | 0 |
| 69 | | | 0 | 0 |
| 70 | | | 0 | 0 |
| 71 | | | 0 | 0 |
| 72 | TOTAL Liab and Other Credits (Enter Total of lines 15,23,32,49,58) | | 62,614,001 | 64,373,867 |

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| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|---|---------------------------------------|---------------------------------|

STATEMENT OF INCOME FOR THE YEAR (Continued)

resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.

7. If any notes appearing in the report to stockholders are applicable to this Statement of Income, such notes may be included on pages 122-123.

8. Enter on page 123 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.

9. Explain in a footnote if the previous year's figures are different from that reported in prior reports.

10. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles, lines 2 to 26, and report the information in the blank space on page 123 or in a footnote.

| ELECTRIC UTILITY | | GAS UTILITY | | OTHER UTILITY | | Line No. |
|---------------------|----------------------|---------------------|----------------------|---------------------|----------------------|----------|
| Current Year (e) | Previous Year (f) | Current Year (g) | Previous Year (h) | Current Year (i) | Previous Year (j) | |
| | | | | | | 1 |
| 26,423,659 | 25,268,553 | 18,571,958 | 13,629,150 | 5,771,523 | 5,167,219 | 2 |
| | | | | | | 3 |
| 22,048,699 | 20,343,437 | 16,167,078 | 11,480,297 | 2,103,524 | 1,898,045 | 4 |
| 406,387 | 359,961 | 424,776 | 362,447 | 644,473 | 562,427 | 5 |
| 1,046,789 | 1,025,316 | 658,698 | 628,196 | 669,477 | 638,362 | 6 |
| | | | | | | 7 |
| | | | | | | 8 |
| 12,241 | 12,241 | 2,611 | 2,611 | 9,392 | 9,392 | 9 |
| | | | | | | 10 |
| | | | | | | 11 |
| | | | | | | 12 |
| | | | | | | 13 |
| 580,283 | 652,774 | 294,795 | 268,096 | 479,432 | 699,222 | 14 |
| 487,691 | 691,877 | 47,665 | 10,815 | 300,294 | 234,412 | 15 |
| 134,375 | 180,981 | 18,879 | 3,801 | 126,149 | 35,160 | 16 |
| 26,734 | 110,806 | 176,542 | 121,196 | 103,856 | 105,787 | 17 |
| | | | | | | 18 |
| -31,396 | -31,793 | -4,015 | -8,587 | -6,631 | -6,706 | 19 |
| | | | | | | 20 |
| | | | | | | 21 |
| | | | | | | 22 |
| | | | | | | 23 |
| | | | | | | 24 |
| 24,711,803 | 23,345,600 | 17,787,029 | 12,868,872 | 4,429,966 | 4,176,101 | 25 |
| 1,711,856 | 1,922,953 | 784,929 | 760,278 | 1,341,557 | 991,118 | 26 |
| | | | | | | |

| Name of Respondent Superior Water, Light and Power Company | | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|--|---|---------------------|---------------------------------------|---------------------------------|
| STATEMENT OF INCOME FOR THE YEAR (Continued) | | | | | |
| Line No. | Account (a) | (Ref.) Page No. (b) | TOTAL | | |
| | | | Current Year (c) | Previous Year (d) | |
| 27 | Net Utility Operating Income (Carried forward from page 114) | | 3,838,342 | 3,674,349 | |
| 28 | Other Income and Deductions | | | | |
| 29 | Other Income | | | | |
| 30 | Nonutility Operating Income | | | | |
| 31 | Revenues From Merchandising, Jobbing and Contract Work (415) | | 646,890 | 513,015 | |
| 32 | (Less) Costs and Exp. of Merchandising, Job. & Contract Work (416) | | 617,759 | 442,185 | |
| 33 | Revenues From Nonutility Operations (417) | | | | |
| 34 | (Less) Expenses of Nonutility Operations (417.1) | | | | |
| 35 | Nonoperating Rental Income (418) | | | | |
| 36 | Equity in Earnings of Subsidiary Companies (418.1) | 119 | | | |
| 37 | Interest and Dividend Income (419) | | 11,210 | 18,258 | |
| 38 | Allowance for Other Funds Used During Construction (419.1) | | | | |
| 39 | Miscellaneous Nonoperating Income (421) | | -185,866 | -105,838 | |
| 40 | Gain on Disposition of Property (421.1) | | | | |
| 41 | TOTAL Other Income (Enter Total of lines 31 thru 40) | | -145,525 | -16,750 | |
| 42 | Other Income Deductions | | | | |
| 43 | Loss on Disposition of Property (421.2) | | | | |
| 44 | Miscellaneous Amortization (425) | 340 | | | |
| 45 | Miscellaneous Income Deductions (426.1-426.5) | 340 | 34,027 | 103,318 | |
| 46 | TOTAL Other Income Deductions (Total of lines 43 thru 45) | | 34,027 | 103,318 | |
| 47 | Taxes Applic. to Other Income and Deductions | | | | |
| 48 | Taxes Other Than Income Taxes (408.2) | 262-263 | 655 | 589 | |
| 49 | Income Taxes-Federal (409.2) | 262-263 | -59,110 | -7,616 | |
| 50 | Income Taxes-Other (409.2) | 262-263 | -14,960 | -2,675 | |
| 51 | Provision for Deferred Inc. Taxes (410.2) | 234, 272-277 | 3,235 | 1,034 | |
| 52 | (Less) Provision for Deferred Income Taxes-Cr. (411.2) | 234, 272-277 | | | |
| 53 | Investment Tax Credit Adj.-Net (411.5) | | | | |
| 54 | (Less) Investment Tax Credits (420) | | | | |
| 55 | TOTAL Taxes on Other Income and Deduct. (Total of 48 thru 54) | | -70,180 | -8,668 | |
| 56 | Net Other Income and Deductions (Enter Total lines 41, 46, 55) | | -109,372 | -111,400 | |
| 57 | Interest Charges | | | | |
| 58 | Interest on Long-Term Debt (427) | | 1,054,938 | 1,083,723 | |
| 59 | Amort. of Debt Disc. and Expense (428) | | 116,927 | 117,488 | |
| 60 | Amortization of Loss on Reacquired Debt (428.1) | | | | |
| 61 | (Less) Amort. of Premium on Debt-Credit (429) | | | | |
| 62 | (Less) Amortization of Gain on Reacquired Debt-Credit (429.1) | | | | |
| 63 | Interest on Debt to Assoc. Companies (430) | 340 | 126,744 | 138,278 | |
| 64 | Other Interest Expense (431) | 340 | 56,228 | 95,412 | |
| 65 | (Less) Allowance for Borrowed Funds Used During Construction-Cr. (432) | | | | |
| 66 | Net Interest Charges (Enter Total of lines 58 thru 65) | | 1,354,837 | 1,434,901 | |
| 67 | Income Before Extraordinary Items (Total of lines 27, 56 and 66) | | 2,374,133 | 2,128,048 | |
| 68 | Extraordinary Items | | | | |
| 69 | Extraordinary Income (434) | | | | |
| 70 | (Less) Extraordinary Deductions (435) | | | | |
| 71 | Net Extraordinary Items (Enter Total of line 69 less line 70) | | | | |
| 72 | Income Taxes-Federal and Other (409.3) | 262-263 | | | |
| 73 | Extraordinary Items After Taxes (Enter Total of line 71 less line 72) | | | | |
| 74 | Net Income (Enter Total of lines 67 and 73) | | 2,374,133 | 2,128,048 | |

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| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|---|---------------------------------------|---------------------------------|

STATEMENT OF RETAINED EARNINGS FOR THE YEAR

1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
3. State the purpose and amount of each reservation or appropriation of retained earnings.
4. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
5. Show dividends for each class and series of capital stock.
6. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
7. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
8. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

| Line No. | Item (a) | Contra Primary Account Affected (b) | Amount (c) |
|----------|---|-------------------------------------|------------|
| | UNAPPROPRIATED RETAINED EARNINGS (Account 216) | | |
| 1 | Balance-Beginning of Year | | 15,768,655 |
| 2 | Changes | | |
| 3 | Adjustments to Retained Earnings (Account 439) | | |
| 4 | | | |
| 5 | | | |
| 6 | | | |
| 7 | | | |
| 8 | | | |
| 9 | TOTAL Credits to Retained Earnings (Acct. 439) | | |
| 10 | | | |
| 11 | | | |
| 12 | | | |
| 13 | | | |
| 14 | | | |
| 15 | TOTAL Debits to Retained Earnings (Acct. 439) | | |
| 16 | Balance Transferred from Income (Account 433 less Account 418.1) | 439 | 2,374,133 |
| 17 | Appropriations of Retained Earnings (Acct. 436) | | |
| 18 | | | |
| 19 | | | |
| 20 | | | |
| 21 | | | |
| 22 | TOTAL Appropriations of Retained Earnings (Acct. 436) | | |
| 23 | Dividends Declared-Preferred Stock (Account 437) | | |
| 24 | | 438 | -2,000,000 |
| 25 | | | |
| 26 | | | |
| 27 | | | |
| 28 | | | |
| 29 | TOTAL Dividends Declared-Preferred Stock (Acct. 437) | | -2,000,000 |
| 30 | Dividends Declared-Common Stock (Account 438) | | |
| 31 | | | |
| 32 | | | |
| 33 | | | |
| 34 | | | |
| 35 | | | |
| 36 | TOTAL Dividends Declared-Common Stock (Acct. 438) | | |
| 37 | Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings | | |
| 38 | Balance - End of Year (Total 1,9,15,16,22,29,36,37) | | 16,142,788 |
| | APPROPRIATED RETAINED EARNINGS (Account 215) | | |

| | | | |
|---|---|---------------------------------------|--------------------------------|
| Name of Respondent Superior Water, Light and Power Company | This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec 31, 2003 |
| FOOTNOTE DATA | | | |

Schedule Page: 118 Line No.: 1 Column: c

STATEMENT OF RETAINED EARNINGS FOR 2002

| | |
|--|---------------|
| UNAPPROPRIATED RETAINED EARNINGS (Account 216) | |
| Balance - Beginning of Year | \$ 15,640,607 |
| Changes (Identify by prescribed retained earnings accounts) | |
| Adjustments to Retained Earnings (Account 439) | |
| Credit -- NET INCOME | 0 |
| TOTAL Credits to Retained Earnings (Account 439) | 0 |
| TOTAL Debits to Retained Earnings (Account 439) | 0 |
| (Total of Lines 10 thru 14) | |
| Balance Transferred from Income (Account 433 less Account 418.1) | 2,128,048 |
| Appropriations of Retained Earnings (Account 436) | |
| TOTAL Appropriations of Retained Earnings (Account 436) (Total of Lines 18 thru 21) | 0 |
| Dividends Declared-Preferred Stock (Account 437) | |
| TOTAL Dividends Declared-Preferred Stock (Account 437) (Total of Lines 24 thru 28) | 0 |
| Dividends Declared-Common Stock (Account 438) | (2,000,000) |
| \$38.46 Annual Dividend | |
| TOTAL Dividends Declared-Common Stock (Account 438) (Total of Lines 31 thru 35) | (2,000,000) |
| Transfers from Account 216.1, Unappropriated Undistributed Subsidiary Earnings | 0 |
| Balance - End of Year (Total of Lines 1,9,15,16, 22,29,36,37) | 15,768,655 |
| TOTAL Appropriated Retained Earnings (Account 215) | 0 |
| TOTAL Appropriated Retained Earnings-Amortized Reserve, Federal (Account 215.1) | 0 |
| TOTAL Appropriated Retained Earnings (Account 215, 215.1) (Total of Lines 45 and 46) | 0 |
| TOTAL Retained Earnings (Account 215,215.1,216) (Total of Lines 38 and 47) | \$ 15,768,655 |
| UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (ACCOUNT 216.1) | |
| Balance-Beginning of Year (Debit or Credit) | \$ 0 |
| Equity in Earnings for Year (Credit) (Account 418.1) | 0 |
| (Less) Dividends Received (Debit) | 0 |
| Other Changes (Explain) | |
| Balance - End of Year (Total of Lines 49 thru 52) | \$ 0 |

B L A N K P A G E

(Next page is 120)

| | | | |
|---|---|---------------------------------------|---------------------------------|
| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|---|---------------------------------------|---------------------------------|

STATEMENT OF CASH FLOWS

1. If the notes to the cash flow statement in the respondents annual stockholders report are applicable to this statement, such notes should be included in page 122-123. Information about non-cash investing and financing activities should be provided on Page 122-123. Provide also on pages 122-123 a reconciliation between "Cash and Cash Equivalents at End of Year" with related amounts on the balance sheet.
2. Under "Other" specify significant amounts and group others.
3. Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show on Page 122-123 the amount of interest paid (net of amounts capitalized) and income taxes paid.

| Line No. | Description (See instruction No. 5 for Explanation of Codes) (a) | Amounts (b) |
|----------|---|----------------|
| 1 | Net Cash Flow from Operating Activities: | |
| 2 | Net Income | 2,374,133 |
| 3 | Noncash Charges (Credits) to Income: | |
| 4 | Depreciation and Depletion | 2,399,208 |
| 5 | Amortization of Debt Expense | 116,927 |
| 6 | Depreciation included in other O&M Expenses | 51,100 |
| 7 | | |
| 8 | Deferred Income Taxes (Net) | 307,132 |
| 9 | Investment Tax Credit Adjustment (Net) | -42,042 |
| 10 | Net (Increase) Decrease in Receivables | -224,969 |
| 11 | Net (Increase) Decrease in Inventory | -341,882 |
| 12 | Net (Increase) Decrease in Allowances Inventory | |
| 13 | Net Increase (Decrease) in Payables and Accrued Expenses | 9,432 |
| 14 | Net (Increase) Decrease in Other Regulatory Assets | -219,685 |
| 15 | Net Increase (Decrease) in Other Regulatory Liabilities | -283,361 |
| 16 | (Less) Allowance for Other Funds Used During Construction | |
| 17 | (Less) Undistributed Earnings from Subsidiary Companies | |
| 18 | Other (provide details in footnote): Accrued Revenues | -383,020 |
| 19 | Prepaid revenue and other prepayments | 255,681 |
| 20 | Net change in other working capital | 713,370 |
| 21 | | |
| 22 | Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21) | 4,732,024 |
| 23 | | |
| 24 | Cash Flows from Investment Activities: | |
| 25 | Construction and Acquisition of Plant (including land): | |
| 26 | Gross Additions to Utility Plant (less nuclear fuel) | -2,050,118 |
| 27 | Gross Additions to Nuclear Fuel | |
| 28 | Gross Additions to Common Utility Plant | |
| 29 | Gross Additions to Nonutility Plant | |
| 30 | (Less) Allowance for Other Funds Used During Construction | |
| 31 | Other (provide details in footnote): Customer Advances | 63,278 |
| 32 | | |
| 33 | | |
| 34 | Cash Outflows for Plant (Total of lines 26 thru 33) | -1,986,840 |
| 35 | | |
| 36 | Acquisition of Other Noncurrent Assets (d) | |
| 37 | Proceeds from Disposal of Noncurrent Assets (d) | |
| 38 | | |
| 39 | Investments in and Advances to Assoc. and Subsidiary Companies | |
| 40 | Contributions and Advances from Assoc. and Subsidiary Companies | |
| 41 | Disposition of Investments in (and Advances to) | |
| 42 | Associated and Subsidiary Companies | |
| 43 | | |
| 44 | Purchase of Investment Securities (a) | |
| 45 | Proceeds from Sales of Investment Securities (a) | |
| | | |

| | | | |
|---|---|---------------------------------------|---------------------------------|
| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|---|---------------------------------------|---------------------------------|

STATEMENT OF CASH FLOWS

4. Investing Activities include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed on pages 122-123. Do not include on this statement the dollar amount of Leases capitalized per US of A General Instruction 20; instead provide a reconciliation of the dollar amount of Leases capitalized with the plant cost on pages 122-123.

5. Codes used:

- (a) Net proceeds or payments. (c) Include commercial paper.
 (b) Bonds, debentures and other long-term debt. (d) Identify separately such items as investments, fixed assets, intangibles, etc.

6. Enter on pages 122-123 clarifications and explanations.

| Line No. | Description (See Instruction No. 5 for Explanation of Codes) (a) | Amounts (b) |
|----------|---|----------------|
| 46 | Loans Made or Purchased | |
| 47 | Collections on Loans | |
| 48 | | |
| 49 | Net (Increase) Decrease in Receivables | |
| 50 | Net (Increase) Decrease in Inventory | |
| 51 | Net (Increase) Decrease in Allowances Held for Speculation | |
| 52 | Net Increase (Decrease) in Payables and Accrued Expenses | |
| 53 | Other (provide details in footnote): | |
| 54 | | |
| 55 | | |
| 56 | Net Cash Provided by (Used in) Investing Activities | |
| 57 | Total of lines 34 thru 55) | -1,986,840 |
| 58 | | |
| 59 | Cash Flows from Financing Activities: | |
| 60 | Proceeds from Issuance of: | |
| 61 | Long-Term Debt (b) | |
| 62 | Preferred Stock | |
| 63 | Common Stock | |
| 64 | Other (provide details in footnote): | |
| 65 | | |
| 66 | Net Increase in Short-Term Debt (c) | 3,300,000 |
| 67 | Other (provide details in footnote): | |
| 68 | | |
| 69 | | |
| 70 | Cash Provided by Outside Sources (Total 61 thru 69) | 3,300,000 |
| 71 | | |
| 72 | Payments for Retirement of: | |
| 73 | Long-term Debt (b) | -250,000 |
| 74 | Preferred Stock | |
| 75 | Common Stock | |
| 76 | Other (provide details in footnote): | |
| 77 | | |
| 78 | Net Decrease in Short-Term Debt (c) | -3,500,000 |
| 79 | | |
| 80 | Dividends on Preferred Stock | |
| 81 | Dividends on Common Stock | -2,000,000 |
| 82 | Net Cash Provided by (Used in) Financing Activities | |
| 83 | (Total of lines 70 thru 81) | -2,450,000 |
| 84 | | |
| 85 | Net Increase (Decrease) in Cash and Cash Equivalents | |
| 86 | (Total of lines 22,57 and 83) | 295,184 |
| 87 | | |
| 88 | Cash and Cash Equivalents at Beginning of Year | 1,358 |
| 89 | | |
| 90 | Cash and Cash Equivalents at End of Year | 296,542 |
| | | |

| | | | |
|---|---|---------------------------------------|--------------------------------|
| Name of Respondent Superior Water, Light and Power Company | This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec 31, 2003 |
| FOOTNOTE DATA | | | |

Schedule Page: 120 Line No.: 2 Column: b

STATEMENT OF CASH FLOWS FOR 2002

Net Cash Flow from Operating Activities:

| | |
|--|--------------|
| Net Income (Line 72(d) on page 117) | \$ 2,128,048 |
| Noncash Charges (Credits) to Income: | |
| Depreciation and Depletion | 2,316,119 |
| Amortization of (Specify) Debt Expense | 117,488 |
| Depreciation included in other O&M Expense | 78,100 |
| Deferred Income Taxes (Net) | 338,823 |
| Investment Tax Credit Adjustment (Net) | (47,086) |
| Net (Increase) Decrease in Receivables | 370,781 |
| Net (Increase) Decrease in Inventory | (86,756) |
| Net (Increase) Decrease in Allowances Inventory | |
| Net Increase (Decrease) in Payables and Accrued Expenses | 406,052 |
| Net (Increase) Decrease in Other Regulatory & Deferred Assets | 1,187,039 |
| Net Increase (Decrease) in Other Regulatory & Deferred Liabilities | (3,130,063) |
| (Less) Allowance for Other Funds Used During Construction | |
| (Less) Undistributed Earnings from Subsidiary Companies | |
| Other: Accrued Revenues | (560,407) |
| Change in Other Assets | (59,884) |
| Net Change in Other Working Capital | 769,816 |

Net Cash Provided by (Used in) Operating Activities (Total of Lines 2 thru 21) \$ 3,828,070

Cash Flows from Investment Activities:

| | |
|---|-------------|
| Construction and Acquisition of Plant (Including Land): | |
| Gross Additions to Utility Plant (Less Nuclear Fuel) | (2,100,674) |
| Gross Additions to Nuclear Fuel | |
| Gross Additions to Common Utility Plant | |
| Gross Additions to Nonutility Plant | |
| (Less) Allowance for Other Funds Used During Construction | |
| Other: Customer Advances for Construction - net | 60,232 |
| Net Removal Costs of Property Retirements | |

Cash Outflows for Plant (Total of Lines 26 thru 33) \$(2,040,442)

Acquisition of Other Noncurrent Assets (d)
 Proceeds from Disposal of Noncurrent Assets (d)
 Investments in and Advances to Assoc. and Subsidiary Companies
 Contributions and Advances from Assoc. and Subsidiary Companies
 Disposition of Investments in (and Advances to)
 Associated and Subsidiary Companies

Purchase of Investment Securities (a)
 Proceeds from Sales of Investment Securities (a)
 Loans Made or Purchased
 Collections on Loans

Net (Increase) Decrease in Receivables
 Net (Increase) Decrease in Inventory
 Net Increase (Decrease) in Allowances Held for Speculation
 Net Increase (Decrease) in Payables and Accrued Expenses

| | | | |
|---|---|---------------------------------------|--------------------------------|
| Name of Respondent | This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec 31, 2003 |
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| FOOTNOTE DATA | | | |

Other:

Net Cash Provided by (Used in) Investing Activities
(Total of Lines 34 thru 55) \$ (2,040,442)

Cash Flows from Financing Activities:

Proceeds from Issuance of:

Long-Term Debt (b)

Preferred Stock

Common Stock

Other:

Net Increase in Short-Term Debt (c) \$ 3,200,000

Other:

Cash Provided by Outside Sources (Total of Lines 61 thru 69) \$ 3,200,000

Payments for Retirement of:

Long-Term Debt (b) (250,000)

Preferred Stock

Common Stock

Other:

Net Decrease in Short-Term Debt (c)

Dividends on Preferred Stock

Dividends on Common Stock (2,800,000)

Net Cash provided by (Used in) Financing Activities
(Total of Lines 70 thru 81) \$ (1,850,000)

Net Increase (Decrease) in Cash and Cash Equivalents
(Total of Lines 22, 57 and 83) (62,372)

Cash and Cash Equivalents at Beginning of Year 63,730

Cash and Cash Equivalents at End of Year \$ 1,358

| | | | |
|---|---|-----------------------|---------------------------------|
| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report / / | Year of Report Dec. 31, 2003 |
|---|---|-----------------------|---------------------------------|

NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.

PAGE 122 INTENTIONALLY LEFT BLANK
SEE PAGE 123 FOR REQUIRED INFORMATION.

| | | | |
|---|---|---------------------------------------|--------------------------------|
| Name of Respondent | This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec 31, 2003 |
| Superior Water, Light and Power Company | | | |
| NOTES TO FINANCIAL STATEMENTS (Continued) | | | |

1. See notes to audited financial statements on page 123.1
2. A \$500,000 contingent liability was made for potential manufactured gas plant site cleanup.
3. None
4. None
5. None
6. None

Summary of 2003 transactions covered by our affiliated interest contract with ALLETE, Inc.

Billed by ALLETE, Inc. to SWL&P -

| | |
|--|------------|
| a. Purchased Power | 18,902,233 |
| b. Computer Processing, Information Systems | 54,019 |
| c. Office Services and Postage | 131,033 |
| d. Maintenance, Operation and Construction of Facilities | 336,269 |
| e. Federal Income Taxes | 1,055,705 |
| f. Test and Purchase Protective Equipment | 2,355 |
| g. Pension Cost/Employee Benefits | 690,227 |
| h. Power Delivery | 30,172 |
| i. Insurance/Administration/Medical Plan | 1,735,251 |
| j. Legal Services | 6,991 |
| k. Debt Guarantee | 39,902 |
| l. Retail Electric Service (Pumping & Monitoring) | 29,295 |
| m. Tax Services | 10,809 |
| n. Customer Services and DSM Services | 40,663 |
| o. Federal and State Payroll Taxes | 1,845,802 |
| p. Miscellaneous | 58,834 |
| q. Minnesota Income Taxes | 4,735 |
| r. Interest on Debt (short term) | 87,004 |
| Total | 25,061,299 |

Billed by SWL&P to ALLETE, Inc.

| | |
|---|---------|
| a. Rent & Wheeling Chgs from Electric Transmission System | 637,890 |
| b. SWL&P Subcontract Labor for MP | 107,030 |
| c. Charges for Fiber Optic Contract | 18,720 |
| d. Customer Information System Royalties | - |
| e. Interest on investments | - |
| Total | 763,640 |

Net Charges Due ALLETE, Inc.

24,297,659

| | | | |
|---|---|---------------------------------------|--------------------------------|
| Name of Respondent Superior Water, Light and Power Company | This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec 31, 2003 |
| NOTES TO FINANCIAL STATEMENTS (Continued) | | | |

SUPERIOR WATER, LIGHT AND POWER COMPANY

Notes to Financial Statements

1. Summary of Significant Accounting Policies

General

Superior Water, Light and Power Company (the "Company") is a wholly owned subsidiary of ALLETE, Inc. ("Parent") and provides electric, gas and water services to customers in Superior, Wisconsin and the surrounding area. The Company is subject to regulation by the Public Service Commission of Wisconsin ("PSC") and reporting by the Federal Energy Regulatory Commission ("FERC"). The Company's accounting policies conform to accounting principles generally accepted in the United States of America as applied in the case of regulated public utilities and are in accordance with the accounting requirements of the regulatory authorities having jurisdiction.

Use of Estimates

The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States of America, which require management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and disclosure of contingent assets and liabilities at the date of the financial statements during the reporting period. Actual results could differ from those estimates.

Utility Plant and Depreciation

Utility plant is stated at original cost as defined for regulatory purposes. The cost of additions to utility plant and replacements of retirement units of property are capitalized. Maintenance costs and replacements of minor items of property are charged to expense as incurred. Additions to utility plant include direct costs, allocable overhead costs and allowance for funds used during construction ("AFDC"). Costs of depreciable units of utility plant retired are eliminated from the plant accounts and such costs, net of removal costs and salvage proceeds, are charged to accumulated depreciation.

Pursuant to requirements of the PSC, contributions in aid of construction ("CIAC") at December 31, 1989, is included as a separate component of utility plant and amortized over a 15-year period, which represents the estimated remaining useful life of the corresponding property. Amortization of the pre-1990 CIAC reduces depreciation expense. CIAC received subsequent to December 31, 1989, is recorded as a direct reduction of utility plant. Most CIAC relates to customer advances which are not refunded.

Depreciation for financial statement purposes is computed using straight-line rates approved by the PSC and, in the prior year, supplemental annual provisions ordered by the PSC.

Revenues

Revenues are based on cycle billings rendered to customers monthly. In accordance with PSC regulations, the Company accrues electric, gas and water revenue for service provided but not yet billed.

The Company's electric rates contain a power cost adjustment clause which provides for a billing adjustment based on the amount by which the cost of purchased power for the previous month is more or less than the base level in the approved rate schedules. Similarly, gas rates contain a purchased gas adjustment clause which allows the Company to adjust customer billings for the difference between actual gas costs and amounts included in approved rates.

| | | | |
|---|---|---------------------------------------|--------------------------------|
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| Superior Water, Light and Power Company | | | |
| NOTES TO FINANCIAL STATEMENTS (Continued) | | | |

Income Taxes

The Company is included in the consolidated federal income tax return of the Parent. The tax provision for the Company is calculated based on an agreement with the Parent which allocates taxes to the Company as if it filed a separate tax return using the marginal tax rate of the consolidated group for federal income tax purposes. Deferred taxes are provided on temporary differences between the book and tax basis of assets and liabilities which will have a future impact on taxable income. Income taxes are allocated between operating income and other income based on the source of the income that generated the tax. Investment tax credits for utility property are deferred and amortized over the service life of the related property.

Deferred Regulatory Charges and Credits

The Company is subject to the provisions of Statement of Financial Accounting Standards ("SFAS") No. 71, *Accounting for the Effects of Certain Types of Regulation*. Deferred regulatory charges represent primarily environmental costs, income taxes, and asset retirement costs recoverable in future utility rates. Deferred regulatory credits represent primarily income taxes refundable in future utility rates.

Unamortized Debt Expense

Debt issuance costs are deferred and amortized over the lives of the related debt.

Cash and Cash Equivalents

The Company considers all investments purchased with original maturities of three months or less to be cash equivalents.

Inventory

Inventory, which consists of materials and supplies, is stated at the lower of cost or market. Cost is determined by the average cost method.

Asset Retirement Obligations

In June 2001, the Financial Accounting Standards Board issued SFAS No. 143, *Accounting for Asset Retirement Obligations*, which establishes accounting standards for recognition and measurement of a liability for an asset retirement obligation and the associated asset retirement cost. Upon implementation of SFAS No. 143, the Company recognized asset retirement obligations for well closures. The Company believes that the recognized closure costs are recoverable in the future utility rates and therefore has recorded a regulatory asset for the following amount.

| | |
|---|-------------------|
| Asset retirement obligations | |
| Obligation, December 31, 2002 | \$ - |
| Initial obligation upon adoption | 117,127 |
| Accretion expense | 7,915 |
| Additional liabilities incurred in 2003 | - |
| Obligation, December 31, 2003 | <u>\$ 125,042</u> |

2. Rate Case

During 2002, the Company filed for rate adjustments with the PSC requesting annual rate increases for its gas and water customers of 6.8% and 19.9%, respectively. A final order was issued by the PSC on May 15, 2003, authorizing a 5.16% increase in gas rates and a 20.88% increase in water rates.

| | | | |
|---|---|---------------------------------------|--------------------------------|
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| Superior Water, Light and Power Company | | | |
| NOTES TO FINANCIAL STATEMENTS (Continued) | | | |

3. Major Customers

During 2003 and 2002, revenues derived from one customer were \$5,485,362 and \$4,772,794, respectively. No other customer accounted for more than 10% of total revenues.

4. Notes Payable

The Company has a revolving credit facility with its Parent that must be renewed annually each January 1. For the years ended December 31, 2003 and 2002, the maximum borrowings available under the facility were \$10,000,000 and \$7,000,000, respectively. At December 31, 2003 and 2002, outstanding borrowings on the revolving credit facility were \$5,600,000 and \$5,800,000, respectively. Interest on borrowings accrued based on a 30-day commercial paper rate plus a spread of 60 basis points for 2003 (80 basis points for 2002). The interest rate was 1.66% and 1.97% at December 31, 2003 and 2002, respectively. The Company paid \$87,004 and \$105,388 in interest under the facility during 2003 and 2002, respectively.

5. Long-Term Debt

Long-term debt at December 31 consisted of the following:

| | 2003 | 2002 |
|--------------------------------------|-------------------|-------------------|
| First Mortgage Bonds | | |
| 7.27% Series due 2008 | \$ 6,000,000 | \$ 6,000,000 |
| 7.91% Series due 2013 | 2,500,000 | 2,750,000 |
| Industrial Development Revenue Bonds | | |
| 6.125% Series due 2021 | 6,500,000 | 6,500,000 |
| Series due 2012 | 850,000 | 850,000 |
| | <u>15,850,000</u> | <u>16,100,000</u> |
| Less: Current portion | (250,000) | (250,000) |
| Unamortized discount | <u>(93,356)</u> | <u>(98,591)</u> |
| | <u>15,506,644</u> | <u>15,751,409</u> |

Maturities of long-term debt are as follows for the years ending December 31:

| | |
|------------|----------------------|
| 2004 | \$ 250,000 |
| 2005 | 250,000 |
| 2006 | 250,000 |
| 2007 | 250,000 |
| 2008 | 6,250,000 |
| Thereafter | <u>8,600,000</u> |
| | <u>\$ 15,850,000</u> |

Under the terms of the indenture relating to the First Mortgage Bonds, the Company is required to annually redeem 5% of the original \$5,000,000 Series due 2013. All remaining debt is payable upon maturity.

| | | | |
|---|--|--------------------------------|----------------|
| Name of Respondent | This Report is: | Date of Report (Mo, Da, Yr) | Year of Report |
| Superior Water, Light and Power Company | (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | / / | Dec 31, 2003 |
| NOTES TO FINANCIAL STATEMENTS (Continued) | | | |

Interest accrues on the Industrial Development Revenue Bonds Series due 2012 at an annual rate determined October 1 of each year by a municipal securities evaluation service appointed by the Trustee for the Bonds. The annual interest rate is calculated as an average of the rate paid on a minimum of 20 similar securities. The interest rate on the Bonds approximated 2.69% and 3.75% during 2003 and 2002, respectively.

Substantially all utility plant is subject to lien of the mortgage securing the First Mortgage Bonds. The Company has unsecured bank lines of credit of \$1,000,000. Borrowings on the lines of credit accrue interest at the prime rate. The Company had no outstanding debt on the lines of credit at December 31, 2003 and 2002.

6. Depreciation

Provisions for depreciation were comprised of the following:

| | 2003 | 2002 |
|--|---------------------|---------------------|
| Normal depreciation - approximately 3% and 3% of average original cost, respectively | \$ 2,399,208 | \$ 2,316,118 |
| Normal depreciation included in other operation and maintenance expense | 51,100 | 78,100 |
| | <u>\$ 2,450,308</u> | <u>\$ 2,394,218</u> |

7. Income Taxes

Income tax expense (benefit) is comprised of the following:

| | 2003 | 2002 |
|-------------------------------------|------------------|------------------|
| Charged to operations | | |
| Current tax expense | | |
| Federal | \$ 835,650 | \$ 937,104 |
| State | 279,403 | 219,942 |
| | <u>1,115,053</u> | <u>1,157,046</u> |
| Deferred tax expense (benefit) | | |
| Federal | 402,627 | 297,718 |
| State | (95,495) | 40,071 |
| | <u>307,132</u> | <u>337,789</u> |
| Deferred investment tax credits | (42,042) | (47,086) |
| | <u>1,380,143</u> | <u>1,447,749</u> |
| Charged to other income and expense | | |
| Current tax benefit | | |
| Federal | (59,110) | (7,616) |
| State | (14,960) | (2,675) |
| | <u>(74,070)</u> | <u>(10,291)</u> |

| | | | |
|---|---|---------------------------------------|--------------------------------|
| Name of Respondent | This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec 31, 2003 |
| Superior Water, Light and Power Company | | | |
| NOTES TO FINANCIAL STATEMENTS (Continued) | | | |

| | | |
|--------------------------|------------------|------------------|
| Deferred tax expense | | |
| Federal | 2,601 | 623 |
| State | 634 | 411 |
| | <u>3,235</u> | <u>1,034</u> |
| | <u>(70,835)</u> | <u>(9,257)</u> |
| Total income tax expense | <u>1,309,308</u> | <u>1,438,492</u> |

Total income tax expense in the above table produced effective tax rates of 35.6% in 2003 and 40.4% in 2002, as compared to the federal statutory rate of 35.0%. The reasons for the differences are set forth in the following table:

| | 2003 | | 2002 | |
|---|--------------|--------------------|--------------|--------------------|
| | Amount | % of Pretax Income | Amount | % of Pretax Income |
| Book income before income tax | \$ 3,683,440 | | \$ 3,566,540 | |
| Tax computed at federal statutory rate | \$ 1,289,204 | 35.0% | \$ 1,248,289 | 35.0% |
| Increase (decrease) in tax resulting from | | | | |
| Investment tax credit | (42,042) | 1.1 | (47,086) | (1.3) |
| State income taxes, net of Federal income tax benefit | 186,301 | 5.1 | 167,477 | 4.7 |
| Other | (124,155) | (3.4) | 69,812 | 2.0 |
| Provision for income taxes | \$ 1,309,308 | 35.6% | \$ 1,438,492 | 40.4% |

At December 31, 2003 and 2002, the Company's deferred tax assets totaled \$4,599,014 and \$4,505,874 and its deferred tax liabilities totaled \$8,188,834 and \$7,523,468, respectively. The Company's significant temporary differences result from contributions in aid of construction, depreciation, costs to retire and postretirement benefits.

At December 31, 2003, the Company had an income tax receivable from the Parent of \$310,900 for prepaid federal income taxes. The Company owed \$161,720 to the Parent for federal income taxes at December 31, 2002. These amounts are included in accounts payable - Parent company, net at December 31, 2003 and 2002.

8. Retirement and Other Benefit Plans

Defined Benefit Plan

The Company has noncontributory defined benefit pension plans covering substantially all employees. Pension benefits are fully vested after five years and are based on years of service and the highest average monthly compensation earned during four consecutive years within the last 15 years of employment. Pension expense was \$27,204 in 2003 and pension income was \$233,297 in 2002. Company policy is to fund accrued pension costs, including amortization of past service costs. A portion of pension cost is capitalized as a cost of plant construction.

The Company's plans are combined with that of its Parent. As a result, the disclosure information required by SFAS No. 132, *Employers' Disclosures About Pension and Other Postretirement Benefits*, is not separately determined for the Company. At September 30, 2003 and 2002, the actuarially computed value of the projected benefit obligation exceeded the market value of the assets of the combined pension plans. Plan assets are invested

| | | | |
|---|---|---------------------------------------|--------------------------------|
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| Superior Water, Light and Power Company | | | |
| NOTES TO FINANCIAL STATEMENTS (Continued) | | | |

primarily in publicly traded equity and fixed income securities. At December 31, 2003 and 2002, approximately 9% and 8%, respectively, of combined plan assets were invested in the Parent's common stock.

Employee Stock Ownership Plan

The Company's Parent sponsors a leveraged Employee Stock Ownership Plan ("ESOP") within the Retirement Savings and Stock Ownership Plan which covers eligible Parent and Company employees. None of the ESOP debt or unallocated shares pledged as collateral for the loans have been pushed down from the Parent to the Company's financial statements. The Company's compensation and interest expense related to the ESOP and allocated from the Parent totaled \$256,590 in 2003 and \$296,735 in 2002.

Postretirement Benefits

The Company provides certain health care and insurance benefits for retired employees. Substantially all employees may become eligible for such benefits if they attain retirement status. The Company's benefits are combined with those of its Parent. As a result, the disclosure information required by SFAS No. 132, *Employers' Disclosures About Pension and Other Postretirement Benefits*, is not separately determined for the Company. At September 30, 2003 and 2002, the actuarial computed value of the projected benefit obligation exceeded the market value of the combined plan assets. The Company's expense related to postretirement benefits and allocated from the Parent totaled \$589,524 and \$454,478 in 2003 and 2002, respectively.

Performance Share Awards

Key employees of the Company participate in the Parent's Long-Term Incentive Compensation Plan (the "Plan"). Under the Plan, performance shares of the Parent's common stock are earned over multi-year time periods and are contingent upon the attainment of certain performance goals of the Parent. The Company does not reimburse the Parent for the shares issued to employees. As such, additional paid in capital is credited when the shares are ultimately issued for the amount of expense accrued under the Plan.

9. Related Parties

The Company purchases all of its electric power from its Parent under an Interchange Service Agreement which provides for the Parent to supply the Company with its total electric requirements at rates approved by FERC. The Interchange Service Agreement expires December 31, 2010. Purchases under the Service Agreement were \$18,902,233 and \$17,839,242 in 2003 and 2002, respectively.

The Parent performs certain maintenance and administrative services for the Company. The cost of these services were approximately \$837,000 and \$845,000 in 2003 and 2002, respectively.

The Company provides contract labor and electric transmission rental services to the Parent. Billings for these services were approximately \$828,000 and \$770,000 in 2003 and 2002, respectively.

The receivable from affiliate of \$552,100 at December 31, 2002, represented project development expenditures paid by the Company on behalf of an affiliate for a generation project that had been indefinitely postponed. The receivable from affiliate of \$552,100 was paid on June 30, 2003.

10. Commitments and Contingencies

In May 2001, the Company received notice from the Wisconsin Department of Natural Resources ("WDNR") that the City of Superior had found soil contamination on property adjoining a former Manufactured Gas Plant

| | | | |
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| Superior Water, Light and Power Company | | | |
| NOTES TO FINANCIAL STATEMENTS (Continued) | | | |

("MGP") site owned and operated by the Company's predecessors from 1889 to 1904. The WDNR requested the Company to initiate an environmental investigation. The WDNR also issued the Company a Responsible Party letter in February 2002. The environmental investigation is underway. In February 2003, the Company submitted a Phase II environmental site investigation report to the WDNR. This report identified some MGP-like chemicals that were found in the soil. During March and April 2003, sediment samples were taken from nearby Superior Bay. The report on the results of this sampling is expected to be completed and sent to the WDNR during the first quarter of 2004. A work plan for additional investigation by the Company was filed on December 17, 2003, with the WDNR. This part of the investigation will determine any impact to soil or ground water between the former MGP site and the Superior Bay. Although it is not possible to quantify the potential clean-up cost until the investigation is completed and a work plan is developed, a \$500,000 liability was recorded as of December 31, 2003, to address the known areas of contamination. The Company has recorded a regulatory asset in the amount of approximately \$653,000 for past and estimated future expenditures related to this matter. The PSC has approved the Company's deferral of these MGP environmental investigation and potential clean-up costs for future recovery in rates, subject to regulatory prudence review.

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| Name of Respondent Superior Water, Light and Power Company | | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|---|---|-----------------|---------------------------------------|---------------------------------|
| SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION | | | | | |
| Line No. | Classification (a) | Total (b) | Electric (c) | | |
| 1 | Utility Plant | | | | |
| 2 | In Service | | | | |
| 3 | Plant in Service (Classified) | 75,805,998 | 28,611,452 | | |
| 4 | Property Under Capital Leases | | | | |
| 5 | Plant Purchased or Sold | | | | |
| 6 | Completed Construction not Classified | 1,696,363 | 377,929 | | |
| 7 | Experimental Plant Unclassified | | | | |
| 8 | Total (3 thru 7) | 77,502,361 | 28,989,381 | | |
| 9 | Leased to Others | | | | |
| 10 | Held for Future Use | 7,083 | 283 | | |
| 11 | Construction Work in Progress | 1,215,969 | 107,761 | | |
| 12 | Acquisition Adjustments | 105,059 | 53,044 | | |
| 13 | Total Utility Plant (8 thru 12) | 78,830,472 | 29,150,469 | | |
| 14 | Accum Prov for Depr, Amort, & Depl | 31,869,086 | 13,638,623 | | |
| 15 | Net Utility Plant (13 less 14) | 46,961,386 | 15,511,846 | | |
| 16 | Detail of Accum Prov for Depr, Amort & Depl | | | | |
| 17 | In Service: | | | | |
| 18 | Depreciation | 31,869,086 | 13,638,623 | | |
| 19 | Amort & Depl of Producing Nat Gas Land/Land Right | | | | |
| 20 | Amort of Underground Storage Land/Land Rights | | | | |
| 21 | Amort of Other Utility Plant | | | | |
| 22 | Total In Service (18 thru 21) | 31,869,086 | 13,638,623 | | |
| 23 | Leased to Others | | | | |
| 24 | Depreciation | | | | |
| 25 | Amortization and Depletion | | | | |
| 26 | Total Leased to Others (24 & 25) | | | | |
| 27 | Held for Future Use | | | | |
| 28 | Depreciation | | | | |
| 29 | Amortization | | | | |
| 30 | Total Held for Future Use (28 & 29) | | | | |
| 31 | Abandonment of Leases (Natural Gas) | | | | |
| 32 | Amort of Plant Acquisition Adj | | | | |
| 33 | Total Accum Prov (equals 14) (22,26,30,31,32) | 31,869,086 | 13,638,623 | | |

| | | | | | |
|---|---------------------------------|---|------------------------|---------------------------------------|---------------------------------|
| Name of Respondent Superior Water, Light and Power Company | | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
| SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION | | | | | |
| Gas (d) | Other (Specify) Water (e) | Other (Specify) (f) | Other (Specify) (g) | Common (h) | Line No. |
| | | | | | 1 |
| | | | | | 2 |
| 17,513,375 | 24,490,351 | | | 5,190,820 | 3 |
| | | | | | 4 |
| | | | | | 5 |
| 236,189 | 155,746 | | | 926,499 | 6 |
| | | | | | 7 |
| 17,749,564 | 24,646,097 | | | 6,117,319 | 8 |
| | | | | | 9 |
| 5,318 | 1,482 | | | | 10 |
| 870,693 | 218,925 | | | 18,590 | 11 |
| 11,315 | 40,700 | | | | 12 |
| 18,636,890 | 24,907,204 | | | 6,135,909 | 13 |
| 8,355,371 | 5,836,825 | | | 4,038,267 | 14 |
| 10,281,519 | 19,070,379 | | | 2,097,642 | 15 |
| | | | | | 16 |
| | | | | | 17 |
| 8,355,371 | 5,836,825 | | | 4,038,267 | 18 |
| | | | | | 19 |
| | | | | | 20 |
| | | | | | 21 |
| 8,355,371 | 5,836,825 | | | 4,038,267 | 22 |
| | | | | | 23 |
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| 8,355,371 | 5,836,825 | | | 4,038,267 | 33 |

| | | | |
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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106)

- Report below the original cost of electric plant in service according to the prescribed accounts.
- In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified-Electric.
- Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
- For revisions to the amount of initial asset retirement costs capitalized, included by primary plant account, increases in column (c) additions and reductions in column (e) adjustments.
- Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.
- Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d)

| Line No. | Account (a) | Balance Beginning of Year (b) | Additions (c) |
|----------|--|-------------------------------------|------------------|
| 1 | 1. INTANGIBLE PLANT | | |
| 2 | (301) Organization | | |
| 3 | (302) Franchises and Consents | 625 | |
| 4 | (303) Miscellaneous Intangible Plant | | |
| 5 | TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4) | 625 | |
| 6 | 2. PRODUCTION PLANT | | |
| 7 | A. Steam Production Plant | | |
| 8 | (310) Land and Land Rights | | |
| 9 | (311) Structures and Improvements | | |
| 10 | (312) Boiler Plant Equipment | | |
| 11 | (313) Engines and Engine-Driven Generators | | |
| 12 | (314) Turbogenerator Units | | |
| 13 | (315) Accessory Electric Equipment | | |
| 14 | (316) Misc. Power Plant Equipment | | |
| 15 | (317) Asset Retirement Costs for Steam Production | | |
| 16 | TOTAL Steam Production Plant (Enter Total of lines 8 thru 15) | | |
| 17 | B. Nuclear Production Plant | | |
| 18 | (320) Land and Land Rights | | |
| 19 | (321) Structures and Improvements | | |
| 20 | (322) Reactor Plant Equipment | | |
| 21 | (323) Turbogenerator Units | | |
| 22 | (324) Accessory Electric Equipment | | |
| 23 | (325) Misc. Power Plant Equipment | | |
| 24 | (326) Asset Retirement Costs for Nuclear Production | | |
| 25 | TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24) | | |
| 26 | C. Hydraulic Production Plant | | |
| 27 | (330) Land and Land Rights | | |
| 28 | (331) Structures and Improvements | | |
| 29 | (332) Reservoirs, Dams, and Waterways | | |
| 30 | (333) Water Wheels, Turbines, and Generators | | |
| 31 | (334) Accessory Electric Equipment | | |
| 32 | (335) Misc. Power PLant Equipment | | |
| 33 | (336) Roads, Railroads, and Bridges | | |
| 34 | (337) Asset Retirement Costs for Hydraulic Production | | |
| 35 | TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34) | | |
| 36 | D. Other Production Plant | | |
| 37 | (340) Land and Land Rights | | |
| 38 | (341) Structures and Improvements | | |
| 39 | (342) Fuel Holders, Products, and Accessories | | |
| 40 | (343) Prime Movers | | |
| 41 | (344) Generators | | |
| 42 | (345) Accessory Electric Equipment | | |
| 43 | (346) Misc. Power Plant Equipment | | |
| | | | |

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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

7. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.

8. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirement of these pages.

9. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchase, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date

| Retirements (d) | Adjustments (e) | Transfers (f) | Balance at End of Year (g) | Line No. |
|--------------------|--------------------|------------------|----------------------------------|-------------|
| | | | | 1 |
| | | | | 2 |
| | | | 625 | 3 |
| | | | | 4 |
| | | | 625 | 5 |
| | | | | 6 |
| | | | | 7 |
| | | | | 8 |
| | | | | 9 |
| | | | | 10 |
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| Name of Respondent Superior Water, Light and Power Company | | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|---|---|---------------------------------------|---------------------------------|
| ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued) | | | | |
| Line No. | Account (a) | Balance Beginning of Year (b) | Additions (c) | |
| 44 | (347) Asset Retirement Costs for Other Production | | | |
| 45 | TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44) | | | |
| 46 | TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45) | | | |
| 47 | 3. TRANSMISSION PLANT | | | |
| 48 | (350) Land and Land Rights | 392,149 | 86 | |
| 49 | (352) Structures and Improvements | 6,773 | | |
| 50 | (353) Station Equipment | 4,924,348 | 54,895 | |
| 51 | (354) Towers and Fixtures | 91,858 | | |
| 52 | (355) Poles and Fixtures | 1,649,509 | | |
| 53 | (356) Overhead Conductors and Devices | 2,041,103 | | |
| 54 | (357) Underground Conduit | | | |
| 55 | (358) Underground Conductors and Devices | | | |
| 56 | (359) Roads and Trails | | | |
| 57 | (359.1) Asset Retirement Costs for Transmission Plant | | | |
| 58 | TOTAL Transmission Plant (Enter Total of lines 48 thru 57) | 9,105,740 | 54,981 | |
| 59 | 4. DISTRIBUTION PLANT | | | |
| 60 | (360) Land and Land Rights | 64,548 | | |
| 61 | (361) Structures and Improvements | 34,611 | | |
| 62 | (362) Station Equipment | 3,034,841 | 11,274 | |
| 63 | (363) Storage Battery Equipment | | | |
| 64 | (364) Poles, Towers, and Fixtures | 3,559,646 | 286,830 | |
| 65 | (365) Overhead Conductors and Devices | 3,610,970 | 162,751 | |
| 66 | (366) Underground Conduit | 63,182 | | |
| 67 | (367) Underground Conductors and Devices | 2,282,951 | 99,457 | |
| 68 | (368) Line Transformers | 2,449,978 | 193,279 | |
| 69 | (369) Services | 892,695 | 77,541 | |
| 70 | (370) Meters | 2,215,467 | 99,342 | |
| 71 | (371) Installations on Customer Premises | 69,437 | 2,584 | |
| 72 | (372) Leased Property on Customer Premises | | | |
| 73 | (373) Street Lighting and Signal Systems | 328,714 | 11,435 | |
| 74 | (374) Asset Retirement Costs for Distribution Plant | | | |
| 75 | TOTAL Distribution Plant (Enter Total of lines 60 thru 74) | 18,607,040 | 944,493 | |
| 76 | 5. GENERAL PLANT | | | |
| 77 | (389) Land and Land Rights | | | |
| 78 | (390) Structures and Improvements | | | |
| 79 | (391) Office Furniture and Equipment | 23,893 | | |
| 80 | (392) Transportation Equipment | | | |
| 81 | (393) Stores Equipment | | | |
| 82 | (394) Tools, Shop and Garage Equipment | 249,020 | 1,104 | |
| 83 | (395) Laboratory Equipment | 267,614 | | |
| 84 | (396) Power Operated Equipment | | | |
| 85 | (397) Communication Equipment | 68,590 | | |
| 86 | (398) Miscellaneous Equipment | | | |
| 87 | SUBTOTAL (Enter Total of lines 77 thru 86) | 609,117 | 1,104 | |
| 88 | (399) Other Tangible Property | | | |
| 89 | (399.1) Asset Retirement Costs for General Plant | | | |
| 90 | TOTAL General Plant (Enter Total of lines 87, 88 and 89) | 609,117 | 1,104 | |
| 91 | TOTAL (Accounts 101 and 106) | 28,322,522 | 1,000,578 | |
| 92 | (102) Electric Plant Purchased (See Instr. 8) | | | |
| 93 | (Less) (102) Electric Plant Sold (See Instr. 8) | | | |
| 94 | (103) Experimental Plant Unclassified | | | |
| 95 | TOTAL Electric Plant in Service (Enter Total of lines 91 thru 94) | 28,322,522 | 1,000,578 | |
| | | | | |

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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

| Retirements (d) | Adjustments (e) | Transfers (f) | Balance at End of Year (g) | Line No. |
|--------------------|--------------------|------------------|----------------------------------|-------------|
| | | | | 44 |
| | | | | 45 |
| | | | | 46 |
| | | | | 47 |
| | | | 392,235 | 48 |
| | | | 6,773 | 49 |
| 94,898 | | | 4,884,345 | 50 |
| | | | 91,858 | 51 |
| | | | 1,649,509 | 52 |
| | | | 2,041,103 | 53 |
| | | | | 54 |
| | | | | 55 |
| | | | | 56 |
| | | | | 57 |
| 94,898 | | | 9,065,823 | 58 |
| | | | | 59 |
| | | | 64,548 | 60 |
| | | | 34,611 | 61 |
| | | | 3,046,115 | 62 |
| | | | | 63 |
| 74,061 | 17 | | 3,772,432 | 64 |
| 5,091 | | | 3,768,630 | 65 |
| | | | 63,182 | 66 |
| 10,253 | | | 2,372,155 | 67 |
| 124,113 | | | 2,519,144 | 68 |
| 1,925 | | | 968,311 | 69 |
| 21,280 | | | 2,293,529 | 70 |
| 1,991 | | | 70,030 | 71 |
| | | | | 72 |
| 125 | | | 340,024 | 73 |
| | | | | 74 |
| 238,839 | 17 | | 19,312,711 | 75 |
| | | | | 76 |
| | | | | 77 |
| | | | | 78 |
| | | | 23,893 | 79 |
| | | | | 80 |
| | | | | 81 |
| | | | 250,124 | 82 |
| | | | 267,614 | 83 |
| | | | | 84 |
| | | | 68,590 | 85 |
| | | | | 86 |
| | | | 610,221 | 87 |
| | | | | 88 |
| | | | | 89 |
| | | | 610,221 | 90 |
| 333,737 | 17 | | 28,989,380 | 91 |
| | | | | 92 |
| | | | | 93 |
| | | | | 94 |
| 333,737 | 17 | | 28,989,380 | 95 |
| | | | | |

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| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
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ELECTRIC PLANT HELD FOR FUTURE USE (Account 105)

- Report separately each property held for future use at end of the year having an original cost of \$250,000 or more. Group other items of property held for future use.
- For property having an original cost of \$250,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.

| Line No. | Description and Location Of Property (a) | Date Originally Included in This Account (b) | Date Expected to be used in Utility Service (c) | Balance at End of Year (d) |
|----------|--|--|---|----------------------------|
| 1 | Land and Rights: | | | |
| 2 | Lots 7 and 8, Block 1, Bartons Addition | 04/30/91 | 01/01/05 | 283 |
| 3 | | | | |
| 4 | | | | |
| 5 | | | | |
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| 16 | | | | |
| 17 | | | | |
| 18 | | | | |
| 19 | | | | |
| 20 | | | | |
| 21 | Other Property: | | | |
| 22 | | | | |
| 23 | | | | |
| 24 | | | | |
| 25 | | | | |
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| 27 | | | | |
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| 47 | Total | | | 283 |

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| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
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CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (107)
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)
3. Minor projects (5% of the Balance End of the Year for Account 107 or \$100,000, whichever is less) may be grouped.

| Line No. | Description of Project (a) | Construction work in progress - Electric (Account 107) (b) |
|----------|---|--|
| 1 | Electric Service Revenues, System Blanket, and Various Projects | 8,640 |
| 2 | | |
| 3 | Electric Meter Blanket | 99,121 |
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| 43 | TOTAL | 107,761 |

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| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
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ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, Line 11, column (c), and that reported for electric plant in service, pages 204-207, column 9d), excluding retirements of non-depreciable property.
3. The provisions of Account 108 in the Uniform System of accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

Section A. Balances and Changes During Year

| Line No. | Item (a) | Total (c+d+e) (b) | Electric Plant in Service (c) | Electric Plant Held for Future Use (d) | Electric Plant Leased to Others (e) |
|----------|---|-------------------|-------------------------------|--|-------------------------------------|
| 1 | Balance Beginning of Year | 13,145,134 | 13,145,134 | | |
| 2 | Depreciation Provisions for Year, Charged to | | | | |
| 3 | (403) Depreciation Expense | 1,036,944 | 1,036,944 | | |
| 4 | (403.1) Depreciation Expense for Asset Retirement Costs | | | | |
| 5 | (413) Exp. of Elec. Plt. Leas. to Others | | | | |
| 6 | Transportation Expenses-Clearing | | | | |
| 7 | Other Clearing Accounts | | | | |
| 8 | Other Accounts (Specify, details in footnote): | | | | |
| 9 | Amortize Pre-1990 CIAC | -68,363 | -68,363 | | |
| 10 | TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9) | 968,581 | 968,581 | | |
| 11 | Net Charges for Plant Retired: | | | | |
| 12 | Book Cost of Plant Retired | 333,738 | 333,738 | | |
| 13 | Cost of Removal | 153,522 | 153,522 | | |
| 14 | Salvage (Credit) | 12,168 | 12,168 | | |
| 15 | TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14) | 475,092 | 475,092 | | |
| 16 | Other Debit or Cr. Items (Describe, details in footnote): | | | | |
| 17 | | | | | |
| 18 | Book Cost or Asset Retirement Costs Retired | | | | |
| 19 | Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18) | 13,638,623 | 13,638,623 | | |

Section B. Balances at End of Year According to Functional Classification

| | | | | | |
|----|---|------------|------------|--|--|
| 20 | Steam Production | | | | |
| 21 | Nuclear Production | | | | |
| 22 | Hydraulic Production-Conventional | | | | |
| 23 | Hydraulic Production-Pumped Storage | | | | |
| 24 | Other Production | | | | |
| 25 | Transmission | 4,949,455 | 4,949,455 | | |
| 26 | Distribution | 8,312,723 | 8,312,723 | | |
| 27 | General | 376,445 | 376,445 | | |
| 28 | TOTAL (Enter Total of lines 20 thru 27) | 13,638,623 | 13,638,623 | | |

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| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
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MATERIALS AND SUPPLIES

1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.
2. Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected debited or credited. Show separately debit or credits to stores expense clearing, if applicable.

| Line No. | Account (a) | Balance Beginning of Year (b) | Balance End of Year (c) | Department or Departments which Use Material (d) |
|----------|--|-------------------------------------|-------------------------------|---|
| 1 | Fuel Stock (Account 151) | | | |
| 2 | Fuel Stock Expenses Undistributed (Account 152) | | | |
| 3 | Residuals and Extracted Products (Account 153) | | | |
| 4 | Plant Materials and Operating Supplies (Account 154) | | | |
| 5 | Assigned to - Construction (Estimated) | 170,181 | 175,540 | E-G-W |
| 6 | Assigned to - Operations and Maintenance | | | |
| 7 | Production Plant (Estimated) | 12,198 | 31,434 | W |
| 8 | Transmission Plant (Estimated) | 13,356 | 10,413 | E |
| 9 | Distribution Plant (Estimated) | 170,181 | 175,540 | E-G-W |
| 10 | Assigned to - Other (provide details in footnote) | | | |
| 11 | TOTAL Account 154 (Enter Total of lines 5 thru 10) | 365,916 | 392,927 | |
| 12 | Merchandise (Account 155) | | | |
| 13 | Other Materials and Supplies (Account 156) | | | |
| 14 | Nuclear Materials Held for Sale (Account 157) (Not applic to Gas Util) | | | |
| 15 | Stores Expense Undistributed (Account 163) | -2,720 | -607 | E-G-W |
| 16 | | | | |
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| 19 | | | | |
| 20 | TOTAL Materials and Supplies (Per Balance Sheet) | 363,196 | 392,320 | |

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| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
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OTHER REGULATORY ASSETS (Account 182.3)

- Report below the particulars (details) called for concerning other regulatory assets which are created through the rate making actions of regulatory agencies (and not includable in other accounts)
- For regulatory assets being amortized, show period of amortization in column (a)
- Minor items (5% of the Balance at End of Year for Account 182.3 or amounts less than \$50,000, whichever is less) may be grouped by classes.

| Line No. | Description and Purpose of Other Regulatory Assets (a) | Debits (b) | CREDITS | | Balance at End of Year (e) |
|----------|---|---------------|------------------------|---------------|-------------------------------|
| | | | Account Charged (c) | Amount (d) | |
| 1 | Regulatory Assets Required by FASB 109 | | 2540 | 21,502 | 118,043 |
| 2 | | | | | |
| 3 | Asset Retirement Obligation (ARO) | 124,190 | 2300 | | 124,190 |
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| 44 | TOTAL | 124,190 | | 21,502 | 242,233 |

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| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
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MISCELLANEOUS DEFERRED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a)
3. Minor item (1% of the Balance at End of Year for Account 186 or amounts less than \$50,000, whichever is less) may be grouped by classes.

| Line No. | Description of Miscellaneous Deferred Debits (a) | Balance at Beginning of Year (b) | Debits (c) | CREDITS | | Balance at End of Year (f) |
|----------|--|-------------------------------------|---------------|------------------------|---------------|-------------------------------|
| | | | | Account Charged (d) | Amount (e) | |
| 1 | Life Insurance for EIP Plan | 258,938 | 43,644 | 4260 | 23,318 | 279,264 |
| 2 | Company Pension Plan | 1,822,824 | | various | 27,204 | 1,795,620 |
| 3 | MGP-potential site cleanup | | 500,000 | 2530 | | 500,000 |
| 4 | Other | 161,230 | 3,284 | various | | 164,514 |
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| 47 | Misc. Work in Progress | | | | | |
| 48 | Deferred Regulatory Comm. Expenses (See pages 350 - 351) | | | | | |
| 49 | TOTAL | 2,242,992 | | | | 2,739,398 |

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| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, <u>2003</u> |
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ACCUMULATED DEFERRED INCOME TAXES (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
2. At Other (Specify), include deferrals relating to other income and deductions.

| Line No. | Description and Location (a) | Balance of Beginning of Year (b) | Balance at End of Year (c) |
|----------|--|--|----------------------------------|
| 1 | Electric | | |
| 2 | | 2,219,164 | 2,229,641 |
| 3 | | | |
| 4 | | | |
| 5 | | | |
| 6 | | | |
| 7 | Other | | |
| 8 | TOTAL Electric (Enter Total of lines 2 thru 7) | 2,219,164 | 2,229,641 |
| 9 | Gas | | |
| 10 | | 486,910 | 459,943 |
| 11 | | | |
| 12 | | | |
| 13 | | | |
| 14 | | | |
| 15 | Other | | |
| 16 | TOTAL Gas (Enter Total of lines 10 thru 15) | 486,910 | 459,943 |
| 17 | Water and Common | 877,292 | 1,010,778 |
| 18 | TOTAL (Acct 190) (Total of lines 8, 16 and 17) | 3,583,366 | 3,700,362 |

Notes

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| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
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CAPITAL STOCKS (Account 201 and 204)

1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.
2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.

| Line No. | Class and Series of Stock and Name of Stock Series (a) | Number of shares Authorized by Charter (b) | Par or Stated Value per share (c) | Call Price at End of Year (d) |
|----------|---|---|--------------------------------------|----------------------------------|
| 1 | Common Stock | 52,000 | 100.00 | |
| 2 | | | | |
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| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
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CAPITAL STOCKS (Account 201 and 204) (Continued)

3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.

4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or non-cumulative.

5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.

Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purposes of pledge.

| OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent) | | HELD BY RESPONDENT | | | | Line |
|---|---------------|-----------------------------------|-------------|----------------------------|---------------|------|
| | | AS REACQUIRED STOCK (Account 217) | | IN SINKING AND OTHER FUNDS | | No. |
| Shares (e) | Amount (f) | Shares (g) | Cost (h) | Shares (i) | Amount (j) | |
| 52,000 | 5,200,000 | | | | | 1 |
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| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
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OTHER PAID-IN CAPITAL (Accounts 208-211, inc.)

Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as total of all accounts for reconciliation with balance sheet, Page 112. Add more columns for any account if deemed necessary. Explain changes made in any account during the year and give the accounting entries effecting such change.

- (a) Donations Received from Stockholders (Account 208)-State amount and give brief explanation of the origin and purpose of each donation.
 (b) Reduction in Par or Stated value of Capital Stock (Account 209): State amount and give brief explanation of the capital change which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.
 (c) Gain on Resale or Cancellation of Reacquired Capital Stock (Account 210): Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.
 (d) Miscellaneous Paid-in Capital (Account 211)-Classify amounts included in this account according to captions which, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.

| Line No. | Item (a) | Amount (b) |
|----------|---|------------|
| 1 | Account 211 - Miscellaneous Paid-In-Capital | 788,952 |
| 2 | Parent company stock given to Company. Stock (\$600,000) used | |
| 3 | to purchase Underhill Service Center on 11/15/91. Stock | |
| 4 | (\$28,248) given as Incentive Compensation to management in | |
| 5 | 1998. Stock (\$25,965) given as Incentive Compensation to | |
| 6 | management in 1999. Stock (\$43,691) given as Incentive | |
| 7 | Compensation to management in 2000. Stock (\$14,139) given | |
| 8 | as Incentive Compensation to management in 2001. Stock | |
| 9 | (\$28,453) given as Incentive Compensation to management in 2002. | |
| 10 | Stock (\$16,691) given as Incentive Compensation to management in | |
| 11 | 2003. Stock options (\$31,765) exercised in 2003. All stock was | |
| 12 | parent company stock. | |
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| 40 | TOTAL | 788,952 |

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LONG-TERM DEBT (Account 221, 222, 223 and 224)

- Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.
- In column (a), for new issues, give Commission authorization numbers and dates.
- For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
- For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
- For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.
- In column (b) show the principal amount of bonds or other long-term debt originally issued.
- In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
- For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.
- Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

| Line No. | Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a) | Principal Amount Of Debt issued (b) | Total expense, Premium or Discount (c) |
|----------|--|---|--|
| 1 | | | |
| 2 | Account 221 | | |
| 3 | First Mortgage Bonds 7.91% | 5,000,000 | 99,040 |
| 4 | First Mortgage Bonds 7.27% | 6,000,000 | 61,449 |
| 5 | Subtotal | 11,000,000 | 160,489 |
| 6 | | | |
| 7 | Account 224 | | |
| 8 | Industrial Revenue Development Note | 850,000 | 41,646 |
| 9 | Project Series Due 2012 | | |
| 10 | Industrial Revenue Development Note | 6,500,000 | 412,858 |
| 11 | Project Series Due 2021 | | 130,000 D |
| 12 | Subtotal | 7,350,000 | 584,504 |
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| 33 | TOTAL | 18,350,000 | 744,993 |

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| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
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LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.
12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.
13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

| Nominal Date of Issue (d) | Date of Maturity (e) | AMORTIZATION PERIOD | | Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h) | Interest for Year Amount (i) | Line No. |
|------------------------------|-------------------------|---------------------|----------------|---|------------------------------------|----------|
| | | Date From (f) | Date To (g) | | | |
| | | | | | | 1 |
| | | | | | | 2 |
| 12/30/92 | 01/02/13 | | | 2,500,000 | 197,750 | 3 |
| 12/15/96 | 12/15/08 | | | 6,000,000 | 436,200 | 4 |
| | | | | 8,500,000 | 633,950 | 5 |
| | | | | | | 6 |
| | | | | | | 7 |
| 10/01/82 | 10/01/12 | | | 850,000 | 22,863 | 8 |
| | | | | | | 9 |
| 12/01/96 | 11/01/21 | | | 6,500,000 | 398,125 | 10 |
| | | | | | | 11 |
| | | | | 7,350,000 | 420,988 | 12 |
| | | | | | | 13 |
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| | | | | | | 32 |
| | | | | 15,850,000 | 1,054,938 | 33 |

| | | | |
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| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|---|---------------------------------------|---------------------------------|

RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.
2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group member, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.
3. A substitute page, designed to meet a particular need of a company, may be used as long as the data is consistent and meets the requirements of the above instructions. For electronic reporting purposes complete Line 27 and provide the substitute Page in the context of a footnote.

| Line No. | Particulars (Details) (a) | Amount (b) |
|----------|--|---------------|
| 1 | Net Income for the Year (Page 117) | 2,374,133 |
| 2 | | |
| 3 | | |
| 4 | Taxable Income Not Reported on Books | |
| 5 | CIAC | 10,198 |
| 6 | | |
| 7 | | |
| 8 | | |
| 9 | Deductions Recorded on Books Not Deducted for Return | |
| 10 | Federal Income Tax - Current | 776,540 |
| 11 | Fed Income Tax Deferred / Invest Tax Credit - Net | 363,186 |
| 12 | State Income Taxes - Net | 169,582 |
| 13 | Disallowed Meals / Penalties / Lobbying Expenses / Service Club Dues | 8,018 |
| 14 | Income Recorded on Books Not Included in Return | |
| 15 | | |
| 16 | | |
| 17 | | |
| 18 | | |
| 19 | Deductions on Return Not Charged Against Book Income | |
| 20 | Provision to reserve for bad debt - net | 181,025 |
| 21 | Cost to retire utility plant included as charge but deductible for tax | 240,272 |
| 22 | Amortization of transmission easements and land rights | 4,812 |
| 23 | Excess tax depreciation over book depreciation | 1,464,788 |
| 24 | Various employee programs | -460,365 |
| 25 | Escrow / conservation programs and other deductions | 437,049 |
| 26 | Deduction for state income taxes | 242,543 |
| 27 | Federal Tax Net Income | 1,591,533 |
| 28 | Show Computation of Tax: | |
| 29 | | |
| 30 | | |
| 31 | Tax at 35% | 557,036 |
| 32 | Prior year adjustments - Current | -204,185 |
| 33 | Adjust computed amount to accrued amount | 15,319 |
| 34 | | |
| 35 | | |
| 36 | Accrued Federal Tax - Current | 776,540 |
| 37 | | |
| 38 | | |
| 39 | | |
| 40 | | |
| 41 | | |
| 42 | | |
| 43 | | |
| 44 | | |

B L A N K P A G E

(Next page is 262)

| | | | |
|---|---|---------------------------------------|---------------------------------|
| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|---|---------------------------------------|---------------------------------|

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

| Line No. | Kind of Tax (See instruction 5) (a) | BALANCE AT BEGINNING OF YEAR | | Taxes Charged During Year (d) | Taxes Paid During Year (e) | Adjustments (f) |
|----------|---|---------------------------------------|--|----------------------------------|-------------------------------|--------------------|
| | | Taxes Accrued (Account 236) (b) | Prepaid Taxes (Include in Account 165) (c) | | | |
| 1 | FEDERAL: | | | | | |
| 2 | Income Tax | | | | | |
| 3 | 2002 | 161,720 | | 204,185 | 365,905 | |
| 4 | 2003 | | | 540,590 | 851,500 | |
| 5 | | | | | | |
| 6 | | | | | | |
| 7 | | | | | | |
| 8 | | | | | | |
| 9 | FICA | -16 | | 353,811 | 353,795 | |
| 10 | Federal Unemployment | 6 | | 5,204 | 5,191 | |
| 11 | | | | | | |
| 12 | STATE (WI): | | | | | |
| 13 | Income Tax | | | | | |
| 14 | 2002 | -40,988 | | -12,537 | -53,525 | |
| 15 | 2003 | | | 241,510 | 268,525 | |
| 16 | | | | | | |
| 17 | | | | | | |
| 18 | | | | | | |
| 19 | | | | | | |
| 20 | | | | | | |
| 21 | | | | | | |
| 22 | | | | | | |
| 23 | State Unemployment | 1 | | 1,535 | 1,521 | |
| 24 | MVR (Motor Vehicle) | | | 9,505 | 9,505 | |
| 25 | Special Fuel Tax | | | | | |
| 26 | Wi License Fee (GRT) | | 802,000 | 793,501 | 900,501 | |
| 27 | PSC of W Assessment | | 36,299 | 47,399 | 44,848 | |
| 28 | Business Registration Fee | | | | | |
| 29 | | | | | | |
| 30 | | | | | | |
| 31 | STATE (MN): | | | | | |
| 32 | Income Tax | -26,000 | | 35,470 | 4,735 | |
| 33 | | | | | | |
| 34 | | | | | | |
| 35 | LOCAL: | | | | | |
| 36 | Duluth Property | 214,665 | | 214,958 | 250,518 | |
| 37 | Superior Property | | | 655 | 655 | |
| 38 | | | | | | |
| 39 | | | | | | |
| 40 | | | | | | |
| 41 | TOTAL | 309,388 | 838,299 | 2,435,786 | 3,003,674 | |

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|---|---|---------------------------------------|---------------------------------|
| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|---|---------------------------------------|---------------------------------|

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

5. If any tax (exclude Federal and State income taxes)- covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Report in columns (i) through (l) how the taxes were distributed. Report in column (i) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

| BALANCE AT END OF YEAR | | DISTRIBUTION OF TAXES CHARGED | | | | Line No. |
|---------------------------------|--|-------------------------------------|---|--|-----------|----------|
| (Taxes accrued Account 236) (g) | Prepaid Taxes (Incl. in Account 165) (h) | Electric (Account 408.1, 409.1) (i) | Extraordinary Items (Account 409.3) (j) | Adjustments to Ret. Earnings (Account 439) (k) | Other (l) | |
| | | | | | | 1 |
| | | | | | | 2 |
| | | 108,218 | | | 95,967 | 3 |
| -310,910 | | 379,473 | | | 161,117 | 4 |
| | | | | | | 5 |
| | | | | | | 6 |
| | | | | | | 7 |
| | | | | | | 8 |
| | | 105,801 | | | 248,010 | 9 |
| 19 | | 1,556 | | | 3,648 | 10 |
| | | | | | | 11 |
| | | | | | | 12 |
| | | | | | | 13 |
| | | -6,645 | | | -5,892 | 14 |
| -27,015 | | 141,020 | | | 100,490 | 15 |
| | | | | | | 16 |
| | | | | | | 17 |
| | | | | | | 18 |
| | | | | | | 19 |
| | | | | | | 20 |
| | | | | | | 21 |
| | | | | | | 22 |
| 15 | | 459 | | | 1,076 | 23 |
| | | | | | 9,505 | 24 |
| | | | | | | 25 |
| | 909,000 | 465,537 | | | 327,964 | 26 |
| | 33,748 | 25,439 | | | 21,960 | 27 |
| | | | | | | 28 |
| | | | | | | 29 |
| | | | | | | 30 |
| | | | | | | 31 |
| 4,735 | | | | | 35,470 | 32 |
| | | | | | | 33 |
| | | | | | | 34 |
| 179,105 | | | | | | 35 |
| | | | | | 214,958 | 36 |
| | | | | | 655 | 37 |
| | | | | | | 38 |
| | | | | | | 39 |
| | | | | | | 40 |
| -154,051 | 942,748 | 1,220,858 | | | 1,214,928 | 41 |

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| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
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ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)

Report below information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustments to the account balance shown in column (g). Include in column (i) the average period over which the tax credits are amortized.

| Line No. | Account Subdivisions (a) | Balance at Beginning of Year (b) | Deferred for Year | | Allocations to Current Year's Income | | Adjustments (g) |
|----------|--|----------------------------------|-------------------|------------|--------------------------------------|------------|-----------------|
| | | | Account No. (c) | Amount (d) | Account No. (e) | Amount (f) | |
| 1 | Electric Utility | | | | | | |
| 2 | 3% | | | | | | |
| 3 | 4% | | | | | | |
| 4 | 7% | | | | | | |
| 5 | 10% | 450,585 | | | 411.4 | 31,396 | |
| 6 | | | | | | | |
| 7 | | | | | | | |
| 8 | TOTAL | 450,585 | | | | 31,396 | |
| 9 | Other (List separately and show 3%, 4%, 7%, 10% and TOTAL) | | | | | | |
| 10 | Gas Utility | | | | | | |
| 11 | | | | | | | |
| 12 | 10% | 37,913 | | | 411.4 | 4,015 | |
| 13 | | | | | | | |
| 14 | | | | | | | |
| 15 | | | | | | | |
| 16 | Water Utility | | | | | | |
| 17 | | | | | | | |
| 18 | 10% | 178,894 | | | 411.4 | 6,631 | |
| 19 | | | | | | | |
| 20 | | | | | | | |
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| 46 | | | | | | | |
| 47 | | | | | | | |
| 48 | | 667,392 | | | | 42,042 | |

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| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|---|---------------------------------------|---------------------------------|

ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (continued)

| Balance at End of Year (h) | Average Period of Allocation to Income (i) | ADJUSTMENT EXPLANATION | Line No. |
|----------------------------------|---|------------------------|-------------|
| | | | 1 |
| | | | 2 |
| | | | 3 |
| | | | 4 |
| 419,189 | | | 5 |
| | | | 6 |
| | | | 7 |
| 419,189 | | | 8 |
| | | | 9 |
| | | | 10 |
| | | | 11 |
| 33,898 | | | 12 |
| | | | 13 |
| | | | 14 |
| | | | 15 |
| | | | 16 |
| | | | 17 |
| 172,263 | | | 18 |
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| | | | 45 |
| | | | 46 |
| | | | 47 |
| 625,350 | | | 48 |

| | | | |
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| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|---|---------------------------------------|---------------------------------|

OTHER DEFERRED CREDITS (Account 253)

- Report below the particulars (details) called for concerning other deferred credits.
- For any deferred credit being amortized, show the period of amortization.
- Minor items (5% of the Balance End of Year for Account 253 or amounts less than \$10,000, whichever is greater) may be grouped by classes.

| Line No. | Description and Other Deferred Credits (a) | Balance at Beginning of Year (b) | DEBITS | | Credits (e) | Balance at End of Year (f) |
|----------|---|-------------------------------------|-----------------------|---------------|----------------|-------------------------------|
| | | | Contra Account (c) | Amount (d) | | |
| 1 | Stinson Phase Shifter | 50,711 | 456 | 304,800 | 274,663 | 20,574 |
| 2 | PCAC Revenue Adjustments | -63,400 | 456 | 676,200 | 644,300 | -95,300 |
| 3 | Minnesota Power Refunds | -8,803 | | | | -8,803 |
| 4 | Northern Natural Gas Refunds | 314 | 495 | 314 | | |
| 5 | Employee Benefits | 1,842,515 | 131 | 735,188 | 1,220,811 | 2,328,138 |
| 6 | Conservation Escrow Accounts | 96,566 | 131 | 988,320 | 748,969 | -142,785 |
| 7 | Kansas Ad Valorem Refund | 133 | 131 | 133 | | |
| 8 | MGP Cleanup Accrual | | 186 | | 500,000 | 500,000 |
| 9 | | | | | | |
| 10 | | | | | | |
| 11 | | | | | | |
| 12 | | | | | | |
| 13 | | | | | | |
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| 42 | | | | | | |
| 43 | | | | | | |
| 44 | | | | | | |
| 45 | | | | | | |
| 46 | | | | | | |
| 47 | TOTAL | 1,918,036 | | 2,704,955 | 3,388,743 | 2,601,824 |

B L A N K P A G E

(Next page is 274)

| | | | |
|---|---|---------------------------------------|--|
| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, <u>2003</u> |
|---|---|---------------------------------------|--|

ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes rating to property not subject to accelerated amortization
2. For other (Specify), include deferrals relating to other income and deductions.

| Line No. | Account (a) | Balance at Beginning of Year (b) | CHANGES DURING YEAR | |
|----------|--|---|---|--|
| | | | Amounts Debited to Account 410.1 (c) | Amounts Credited to Account 411.1 (d) |
| 1 | Account 282 | | | |
| 2 | Electric | 3,759,952 | 137,453 | |
| 3 | Gas | 706,127 | 247,560 | |
| 4 | Water | 1,360,680 | 186,354 | |
| 5 | TOTAL (Enter Total of lines 2 thru 4) | 5,826,759 | 571,367 | |
| 6 | Common | | | |
| 7 | | | | |
| 8 | | | | |
| 9 | TOTAL Account 282 (Enter Total of lines 5 thru | 5,826,759 | 571,367 | |
| 10 | Classification of TOTAL | | | |
| 11 | Federal Income Tax | 4,753,695 | 532,357 | |
| 12 | State Income Tax | 1,073,064 | 39,010 | |
| 13 | Local Income Tax | | | |

NOTES

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| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|---|---------------------------------------|---------------------------------|

ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282) (Continued)

3. Use footnotes as required.

| CHANGES DURING YEAR | | ADJUSTMENTS | | | | Balance at End of Year (k) | Line No. |
|--|---|----------------------------|---------------|---------------------------|---------------|----------------------------------|-------------|
| Amounts Debited to Account 410.2 (e) | Amounts Credited to Account 411.2 (f) | Debits | | Credits | | | |
| | | Account Credited (g) | Amount (h) | Account Debited (i) | Amount (j) | | |
| | | | | | | | 1 |
| | | | | 410.1. | 18,178 | 3,915,583 | 2 |
| | | | | 410.1 | 25,646 | 979,333 | 3 |
| | | | | 410.1 | 46,357 | 1,593,391 | 4 |
| | | | | | 90,181 | 6,488,307 | 5 |
| | | | | | | | 6 |
| | | | | | | | 7 |
| | | | | | | | 8 |
| | | | | | 90,181 | 6,488,307 | 9 |
| | | | | | | | 10 |
| | | | | | 88,864 | 5,374,916 | 11 |
| | | | | | 1,317 | 1,113,391 | 12 |
| | | | | | | | 13 |

NOTES (Continued)

| | | | |
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| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|---|---------------------------------------|---------------------------------|

ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
2. For other (Specify), include deferrals relating to other income and deductions.

| Line No. | Account (a) | Balance at Beginning of Year (b) | CHANGES DURING YEAR | |
|----------|--|-------------------------------------|---|--|
| | | | Amounts Debited to Account 410.1 (c) | Amounts Credited to Account 411.1 (d) |
| 1 | Account 283 | | | |
| 2 | Electric | | | |
| 3 | | 314,862 | -3,380 | |
| 4 | | | | |
| 5 | | | | |
| 6 | | | | |
| 7 | | | | |
| 8 | | | | |
| 9 | TOTAL Electric (Total of lines 3 thru 8) | 314,862 | -3,380 | |
| 10 | Gas | | | |
| 11 | | 261,733 | -4,370 | |
| 12 | | | | |
| 13 | | | | |
| 14 | | | | |
| 15 | | | | |
| 16 | | | | |
| 17 | TOTAL Gas (Total of lines 11 thru 16) | 261,733 | -4,370 | |
| 18 | Water | 197,606 | -3,170 | |
| 19 | TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18) | 774,201 | -10,920 | |
| 20 | Classification of TOTAL | | | |
| 21 | Federal Income Tax | 621,844 | -8,770 | |
| 22 | State Income Tax | 152,357 | -2,150 | |
| 23 | Local Income Tax | | | |

NOTES

| | | | |
|---|---|---------------------------------------|---------------------------------|
| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|---|---------------------------------------|---------------------------------|

ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)

3. Provide in the space below explanations for Page 276 and 277. Include amounts relating to insignificant items listed under Other.
4. Use footnotes as required.

| CHANGES DURING YEAR | | ADJUSTMENTS | | | | Balance at End of Year (k) | Line No. |
|--|---|----------------------------|---------------|---------------------------|---------------|----------------------------------|-------------|
| Amounts Debited to Account 410.2 (e) | Amounts Credited to Account 411.2 (f) | Debits | | Credits | | | |
| | | Account Credited (g) | Amount (h) | Account Debited (i) | Amount (j) | | |
| | | | | | | | 1 |
| | | | | | | | 2 |
| | | | | | 11,806 | 323,288 | 3 |
| | | | | | | | 4 |
| | | | | | | | 5 |
| | | | | | | | 6 |
| | | | | | | | 7 |
| | | | | | | | 8 |
| | | | | | 11,806 | 323,288 | 9 |
| | | | | | | | 10 |
| | | | | | 16,188 | 273,551 | 11 |
| | | | | | | | 12 |
| | | | | | | | 13 |
| | | | | | | | 14 |
| | | | | | | | 15 |
| | | | | | | | 16 |
| | | | | | 16,188 | 273,551 | 17 |
| | | | | | 10,600 | 205,036 | 18 |
| | | | | | 38,594 | 801,875 | 19 |
| | | | | | | | 20 |
| | | | | | 30,996 | 644,070 | 21 |
| | | | | | 7,598 | 157,805 | 22 |
| | | | | | | | 23 |

NOTES (Continued)

| | | | |
|---|---|---------------------------------------|---------------------------------|
| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|---|---------------------------------------|---------------------------------|

OTHER REGULATORY LIABILITIES (Account 254)

1. Reporting below the particulars (Details) called for concerning other regulatory liabilities which are created through the rate-making actions of regulatory agencies (and not includable in other amounts)
2. For regulatory Liabilities being amortized show period of amortization in column (a).
3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than \$50,000, whichever is Less) may be grouped by classes.

| Line No. | Description and Purpose of Other Regulatory Liabilities (a) | DEBITS | | Credits (d) | Balance at End of Year (e) |
|----------|--|-------------------------|---------------|----------------|-------------------------------|
| | | Account Credited (b) | Amount (c) | | |
| 1 | Book FASB 109 | 182,190,282 | 283,361 | | 2,401,371 |
| 2 | | | | | |
| 3 | | | | | |
| 4 | | | | | |
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| 34 | | | | | |
| 35 | | | | | |
| 36 | | | | | |
| 37 | | | | | |
| 38 | | | | | |
| 39 | | | | | |
| 40 | | | | | |
| 41 | TOTAL | | 283,361 | | 2,401,371 |

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|---|---|---------------------------------------|---------------------------------|
| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|---|---------------------------------------|---------------------------------|

ELECTRIC OPERATING REVENUES (Account 400)

1. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
2. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The -average number of customers means the average of twelve figures at the close of each month.
3. If increases or decreases from previous year (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.

| Line No. | Title of Account (a) | OPERATING REVENUES | |
|----------|---|------------------------|---------------------------------|
| | | Amount for Year (b) | Amount for Previous Year (c) |
| 1 | Sales of Electricity | | |
| 2 | (440) Residential Sales | 5,655,181 | 5,418,461 |
| 3 | (442) Commercial and Industrial Sales | | |
| 4 | Small (or Comm.) (See Instr. 4) | 5,319,501 | 5,249,524 |
| 5 | Large (or Ind.) (See Instr. 4) | 14,069,051 | 13,239,458 |
| 6 | (444) Public Street and Highway Lighting | 166,915 | 183,260 |
| 7 | (445) Other Sales to Public Authorities | | |
| 8 | (446) Sales to Railroads and Railways | | |
| 9 | (448) Interdepartmental Sales | 85,367 | 81,615 |
| 10 | TOTAL Sales to Ultimate Consumers | 25,296,015 | 24,172,318 |
| 11 | (447) Sales for Resale | | |
| 12 | TOTAL Sales of Electricity | 25,296,015 | 24,172,318 |
| 13 | (Less) (449.1) Provision for Rate Refunds | | |
| 14 | TOTAL Revenues Net of Prov. for Refunds | 25,296,015 | 24,172,318 |
| 15 | Other Operating Revenues | | |
| 16 | (450) Forfeited Discounts | 51,764 | 49,513 |
| 17 | (451) Miscellaneous Service Revenues | 20,355 | 14,866 |
| 18 | (453) Sales of Water and Water Power | | |
| 19 | (454) Rent from Electric Property | 614,831 | 613,896 |
| 20 | (455) Interdepartmental Rents | | |
| 21 | (456) Other Electric Revenues | 440,694 | 417,960 |
| 22 | | | |
| 23 | | | |
| 24 | | | |
| 25 | | | |
| 26 | TOTAL Other Operating Revenues | 1,127,644 | 1,096,235 |
| 27 | TOTAL Electric Operating Revenues | 26,423,659 | 25,268,553 |

| | | | |
|---|---|---------------------------------------|---------------------------------|
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|---|---|---------------------------------------|---------------------------------|

ELECTRIC OPERATING REVENUES (Account 400)

4. Commercial and industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)
5. See pages 108-109, Important Changes During Year, for important new territory added and important rate increase or decreases.
6. For Lines 2,4,5,and 6, see Page 304 for amounts relating to unbilled revenue by accounts.
7. Include unmetered sales. Provide details of such Sales in a footnote.

| MEGAWATT HOURS SOLD | | AVG.NO. CUSTOMERS PER MONTH | | Line No. |
|------------------------|---------------------------------|-----------------------------|---------------------------------|----------|
| Amount for Year (d) | Amount for Previous Year (e) | Number for Year (f) | Number for Previous Year (g) | |
| | | | | 1 |
| 86,689 | 84,289 | 12,447 | 12,382 | 2 |
| | | | | 3 |
| 103,874 | 105,460 | 1,893 | 1,863 | 4 |
| 370,547 | 353,125 | 64 | 64 | 5 |
| 1,912 | 2,336 | 11 | 12 | 6 |
| | | | | 7 |
| | | | | 8 |
| 1,957 | 1,947 | 18 | 18 | 9 |
| 564,979 | 547,157 | 14,433 | 14,339 | 10 |
| | | | | 11 |
| 564,979 | 547,157 | 14,433 | 14,339 | 12 |
| | | | | 13 |
| 564,979 | 547,157 | 14,433 | 14,339 | 14 |

Line 12, column (b) includes \$ 712,487 of unbilled revenues.
Line 12, column (d) includes 12,634 MWH relating to unbilled revenues

| | | | |
|---|---|---------------------------------------|---------------------------------|
| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|---|---------------------------------------|---------------------------------|

SALES OF ELECTRICITY BY RATE SCHEDULES

- Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
- Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
- Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
- The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
- For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
- Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

| Line No. | Number and Title of Rate schedule (a) | MWh Sold (b) | Revenue (c) | Average Number of Customers (d) | KWh of Sales Per Customer (e) | Revenue Per KWh Sold (f) |
|----------|---------------------------------------|--------------|-------------|---------------------------------|-------------------------------|--------------------------|
| 1 | Residential Sales: ER1 | 74,549 | 4,927,946 | 11,167 | 6,676 | 0.0661 |
| 2 | EH1 | 10,516 | 650,949 | 886 | 11,869 | 0.0619 |
| 3 | EN1 | 105 | 19,853 | 202 | 520 | 0.1891 |
| 4 | EW1 | 277 | 11,950 | 97 | 2,856 | 0.0431 |
| 5 | ED1 | 1,241 | 44,483 | 95 | 13,063 | 0.0358 |
| 6 | Total | 86,688 | 5,655,181 | 12,447 | 6,965 | 0.0652 |
| 7 | | | | | | |
| 8 | Commercial and Industrial Sales: | | | | | |
| 9 | EC1 | 8,282 | 572,608 | 999 | 8,290 | 0.0691 |
| 10 | EC3 | 104,376 | 5,131,079 | 726 | 143,769 | 0.0492 |
| 11 | EC5 | 28,339 | 1,182,442 | 4 | 7,084,750 | 0.0417 |
| 12 | EP1 | 11,991 | 540,079 | 12 | 999,250 | 0.0450 |
| 13 | EP3 | 160,457 | 6,431,812 | 11 | 14,587,000 | 0.0401 |
| 14 | EP5 | 158,499 | 5,403,881 | 1 | 158,499,000 | 0.0341 |
| 15 | EN1 | 138 | 22,269 | 199 | 693 | 0.1614 |
| 16 | EZ1 | 27 | 2,283 | 3 | 9,000 | 0.0846 |
| 17 | ISR | 2,313 | 102,100 | 1 | 2,313,000 | 0.0441 |
| 18 | Total | 474,422 | 19,388,553 | 1,956 | 242,547 | 0.0409 |
| 19 | | | | | | |
| 20 | Public Street and Lighting: EL1 | 1,912 | 166,915 | 11 | 173,818 | 0.0873 |
| 21 | Total | 1,912 | 166,915 | 11 | 173,818 | 0.0873 |
| 22 | | | | | | |
| 23 | Interdepartmental | | | | | |
| 24 | EC1 | 42 | 3,236 | 9 | 4,667 | 0.0770 |
| 25 | EC3 | 1,913 | 81,741 | 6 | 318,833 | 0.0427 |
| 26 | EN1 | 2 | 390 | 3 | 667 | 0.1950 |
| 27 | Total | 1,957 | 85,367 | 18 | 108,722 | 0.0436 |
| 28 | /6 Unbilled Revenues | | | | | |
| 29 | ER1 296,370 | | | | | |
| 30 | EH1 38,910 | | | | | |
| 31 | EC1 34,617 | | | | | |
| 32 | EC3 255,069 | | | | | |
| 33 | EP1 21,962 | | | | | |
| 34 | EP3 42,415 | | | | | |
| 35 | EW1 870 | | | | | |
| 36 | EN1 2,603 | | | | | |
| 37 | EL1 16,267 | | | | | |
| 38 | EZ1 385 | | | | | |
| 39 | ED1 3,019 | | | | | |
| 40 | 712,487 | | | | | |
| 41 | TOTAL Billed | 552,344 | 24,583,529 | 14,432 | 38,272 | 0.0445 |
| 42 | Total Unbilled Rev.(See Instr. 6) | 12,634 | 712,487 | 0 | 0 | 0.0564 |
| 43 | TOTAL | 564,978 | 25,296,016 | 14,432 | 39,148 | 0.0448 |

B L A N K P A G E

(Next page is 320)

| Name of Respondent Superior Water, Light and Power Company | | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|--|---|---------------------------------------|---------------------------------|
| ELECTRIC OPERATION AND MAINTENANCE EXPENSES | | | | |
| If the amount for previous year is not derived from previously reported figures, explain in footnote. | | | | |
| Line No. | Account (a) | Amount for Current Year (b) | Amount for Previous Year (c) | |
| 1 | 1. POWER PRODUCTION EXPENSES | | | |
| 2 | A. Steam Power Generation | | | |
| 3 | Operation | | | |
| 4 | (500) Operation Supervision and Engineering | | | |
| 5 | (501) Fuel | | | |
| 6 | (502) Steam Expenses | | | |
| 7 | (503) Steam from Other Sources | | | |
| 8 | (Less) (504) Steam Transferred-Cr. | | | |
| 9 | (505) Electric Expenses | | | |
| 10 | (506) Miscellaneous Steam Power Expenses | | | |
| 11 | (507) Rents | | | |
| 12 | (509) Allowances | | | |
| 13 | TOTAL Operation (Enter Total of Lines 4 thru 12) | | | |
| 14 | Maintenance | | | |
| 15 | (510) Maintenance Supervision and Engineering | | | |
| 16 | (511) Maintenance of Structures | | | |
| 17 | (512) Maintenance of Boiler Plant | | | |
| 18 | (513) Maintenance of Electric Plant | | | |
| 19 | (514) Maintenance of Miscellaneous Steam Plant | | | |
| 20 | TOTAL Maintenance (Enter Total of Lines 15 thru 19) | | | |
| 21 | TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20) | | | |
| 22 | B. Nuclear Power Generation | | | |
| 23 | Operation | | | |
| 24 | (517) Operation Supervision and Engineering | | | |
| 25 | (518) Fuel | | | |
| 26 | (519) Coolants and Water | | | |
| 27 | (520) Steam Expenses | | | |
| 28 | (521) Steam from Other Sources | | | |
| 29 | (Less) (522) Steam Transferred-Cr. | | | |
| 30 | (523) Electric Expenses | | | |
| 31 | (524) Miscellaneous Nuclear Power Expenses | | | |
| 32 | (525) Rents | | | |
| 33 | TOTAL Operation (Enter Total of lines 24 thru 32) | | | |
| 34 | Maintenance | | | |
| 35 | (528) Maintenance Supervision and Engineering | | | |
| 36 | (529) Maintenance of Structures | | | |
| 37 | (530) Maintenance of Reactor Plant Equipment | | | |
| 38 | (531) Maintenance of Electric Plant | | | |
| 39 | (532) Maintenance of Miscellaneous Nuclear Plant | | | |
| 40 | TOTAL Maintenance (Enter Total of lines 35 thru 39) | | | |
| 41 | TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 & 40) | | | |
| 42 | C. Hydraulic Power Generation | | | |
| 43 | Operation | | | |
| 44 | (535) Operation Supervision and Engineering | | | |
| 45 | (536) Water for Power | | | |
| 46 | (537) Hydraulic Expenses | | | |
| 47 | (538) Electric Expenses | | | |
| 48 | (539) Miscellaneous Hydraulic Power Generation Expenses | | | |
| 49 | (540) Rents | | | |
| 50 | TOTAL Operation (Enter Total of Lines 44 thru 49) | | | |
| | | | | |

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|---|--|---|---------------------------------------|---------------------------------|
| ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued) | | | | |
| If the amount for previous year is not derived from previously reported figures, explain in footnote. | | | | |
| Line No. | Account (a) | Amount for Current Year (b) | Amount for Previous Year (c) | |
| 51 | C. Hydraulic Power Generation (Continued) | | | |
| 52 | Maintenance | | | |
| 53 | (541) Maintenance Supervision and Engineering | | | |
| 54 | (542) Maintenance of Structures | | | |
| 55 | (543) Maintenance of Reservoirs, Dams, and Waterways | | | |
| 56 | (544) Maintenance of Electric Plant | | | |
| 57 | (545) Maintenance of Miscellaneous Hydraulic Plant | | | |
| 58 | TOTAL Maintenance (Enter Total of lines 53 thru 57) | | | |
| 59 | TOTAL Power Production Expenses-Hydraulic Power (tot of lines 50 & 58) | | | |
| 60 | D. Other Power Generation | | | |
| 61 | Operation | | | |
| 62 | (546) Operation Supervision and Engineering | | | |
| 63 | (547) Fuel | | | |
| 64 | (548) Generation Expenses | | | |
| 65 | (549) Miscellaneous Other Power Generation Expenses | | | |
| 66 | (550) Rents | | | |
| 67 | TOTAL Operation (Enter Total of lines 62 thru 66) | | | |
| 68 | Maintenance | | | |
| 69 | (551) Maintenance Supervision and Engineering | | | |
| 70 | (552) Maintenance of Structures | | | |
| 71 | (553) Maintenance of Generating and Electric Plant | | | |
| 72 | (554) Maintenance of Miscellaneous Other Power Generation Plant | | | |
| 73 | TOTAL Maintenance (Enter Total of lines 69 thru 72) | | | |
| 74 | TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73) | | | |
| 75 | E. Other Power Supply Expenses | | | |
| 76 | (555) Purchased Power | 18,902,233 | 17,839,242 | |
| 77 | (556) System Control and Load Dispatching | 27,247 | 28,764 | |
| 78 | (557) Other Expenses | | | |
| 79 | TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78) | 18,929,480 | 17,868,006 | |
| 80 | TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79) | 18,929,480 | 17,868,006 | |
| 81 | 2. TRANSMISSION EXPENSES | | | |
| 82 | Operation | | | |
| 83 | (560) Operation Supervision and Engineering | | | |
| 84 | (561) Load Dispatching | | | |
| 85 | (562) Station Expenses | | | |
| 86 | (563) Overhead Lines Expenses | | | |
| 87 | (564) Underground Lines Expenses | | | |
| 88 | (565) Transmission of Electricity by Others | | | |
| 89 | (566) Miscellaneous Transmission Expenses | 734 | 58 | |
| 90 | (567) Rents | | | |
| 91 | TOTAL Operation (Enter Total of lines 83 thru 90) | 734 | 58 | |
| 92 | Maintenance | | | |
| 93 | (568) Maintenance Supervision and Engineering | 39,233 | 33,293 | |
| 94 | (569) Maintenance of Structures | | | |
| 95 | (570) Maintenance of Station Equipment | | | |
| 96 | (571) Maintenance of Overhead Lines | 79,362 | 50,876 | |
| 97 | (572) Maintenance of Underground Lines | | | |
| 98 | (573) Maintenance of Miscellaneous Transmission Plant | | | |
| 99 | TOTAL Maintenance (Enter Total of lines 93 thru 98) | 118,595 | 84,169 | |
| 100 | TOTAL Transmission Expenses (Enter Total of lines 91 and 99) | 119,329 | 84,227 | |
| 101 | 3. DISTRIBUTION EXPENSES | | | |
| 102 | Operation | | | |
| 103 | (580) Operation Supervision and Engineering | 24,349 | 32,538 | |
| | | | | |

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|---|--|---|---------------------------------------|---------------------------------|
| ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued) | | | | |
| If the amount for previous year is not derived from previously reported figures, explain in footnote. | | | | |
| Line No. | Account (a) | Amount for Current Year (b) | Amount for Previous Year (c) | |
| 104 | 3. DISTRIBUTION Expenses (Continued) | | | |
| 105 | (581) Load Dispatching | | | |
| 106 | (582) Station Expenses | 22,089 | 23,226 | |
| 107 | (583) Overhead Line Expenses | 140,025 | 148,358 | |
| 108 | (584) Underground Line Expenses | | | |
| 109 | (585) Street Lighting and Signal System Expenses | | | |
| 110 | (586) Meter Expenses | 56,082 | 63,049 | |
| 111 | (587) Customer Installations Expenses | 39,997 | 6,288 | |
| 112 | (588) Miscellaneous Expenses | 112,387 | 134,940 | |
| 113 | (589) Rents | 9,608 | 13,187 | |
| 114 | TOTAL Operation (Enter Total of lines 103 thru 113) | 404,537 | 421,586 | |
| 115 | Maintenance | | | |
| 116 | (590) Maintenance Supervision and Engineering | 11,691 | 13,447 | |
| 117 | (591) Maintenance of Structures | | | |
| 118 | (592) Maintenance of Station Equipment | | | |
| 119 | (593) Maintenance of Overhead Lines | 127,454 | 138,712 | |
| 120 | (594) Maintenance of Underground Lines | 10,941 | 21,555 | |
| 121 | (595) Maintenance of Line Transformers | | | |
| 122 | (596) Maintenance of Street Lighting and Signal Systems | | | |
| 123 | (597) Maintenance of Meters | 102,495 | 96,579 | |
| 124 | (598) Maintenance of Miscellaneous Distribution Plant | 34,477 | 5,499 | |
| 125 | TOTAL Maintenance (Enter Total of lines 116 thru 124) | 287,058 | 275,792 | |
| 126 | TOTAL Distribution Exp (Enter Total of lines 114 and 125) | 691,595 | 697,378 | |
| 127 | 4. CUSTOMER ACCOUNTS EXPENSES | | | |
| 128 | Operation | | | |
| 129 | (901) Supervision | 11,213 | 12,380 | |
| 130 | (902) Meter Reading Expenses | 104,896 | 130,157 | |
| 131 | (903) Customer Records and Collection Expenses | 161,244 | 190,296 | |
| 132 | (904) Uncollectible Accounts | 132,000 | 116,400 | |
| 133 | (905) Miscellaneous Customer Accounts Expenses | 9,747 | 10,304 | |
| 134 | TOTAL Customer Accounts Expenses (Total of lines 129 thru 133) | 419,100 | 459,537 | |
| 135 | 5. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES | | | |
| 136 | Operation | | | |
| 137 | (907) Supervision | | | |
| 138 | (908) Customer Assistance Expenses | 70,699 | 74,774 | |
| 139 | (909) Informational and Instructional Expenses | 15,645 | 13,036 | |
| 140 | (910) Miscellaneous Customer Service and Informational Expenses | 476,623 | 331,816 | |
| 141 | TOTAL Cust. Service and Information. Exp. (Total lines 137 thru 140) | 562,967 | 419,626 | |
| 142 | 6. SALES EXPENSES | | | |
| 143 | Operation | | | |
| 144 | (911) Supervision | | | |
| 145 | (912) Demonstrating and Selling Expenses | | | |
| 146 | (913) Advertising Expenses | 10,339 | 16,210 | |
| 147 | (916) Miscellaneous Sales Expenses | | | |
| 148 | TOTAL Sales Expenses (Enter Total of lines 144 thru 147) | 10,339 | 16,210 | |
| 149 | 7. ADMINISTRATIVE AND GENERAL EXPENSES | | | |
| 150 | Operation | | | |
| 151 | (920) Administrative and General Salaries | 592,858 | 359,672 | |
| 152 | (921) Office Supplies and Expenses | 95,843 | 100,734 | |
| 153 | (Less) (922) Administrative Expenses Transferred-Credit | 105,123 | 110,520 | |
| | | | | |

| Name of Respondent Superior Water, Light and Power Company | | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, <u>2003</u> |
|---|---|---|---------------------------------------|--|
| ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued) | | | | |
| If the amount for previous year is not derived from previously reported figures, explain in footnote. | | | | |
| Line No. | Account (a) | Amount for Current Year (b) | Amount for Previous Year (c) | |
| 154 | 7. ADMINISTRATIVE AND GENERAL EXPENSES (Continued) | | | |
| 155 | (923) Outside Services Employed | 458,878 | 427,775 | |
| 156 | (924) Property Insurance | 21,683 | 9,967 | |
| 157 | (925) Injuries and Damages | 195,144 | 89,699 | |
| 158 | (926) Employee Pensions and Benefits | 409,878 | 208,690 | |
| 159 | (927) Franchise Requirements | | | |
| 160 | (928) Regulatory Commission Expenses | 37,715 | 57,123 | |
| 161 | (929) (Less) Duplicate Charges-Cr. | | | |
| 162 | (930.1) General Advertising Expenses | 137 | | |
| 163 | (930.2) Miscellaneous General Expenses | 14,016 | 13,611 | |
| 164 | (931) Rents | 1,247 | 1,663 | |
| 165 | TOTAL Operation (Enter Total of lines 151 thru 164) | 1,722,276 | 1,158,414 | |
| 166 | Maintenance | | | |
| 167 | (935) Maintenance of General Plant | | | |
| 168 | TOTAL Admin & General Expenses (Total of lines 165 thru 167) | 1,722,276 | 1,158,414 | |
| 169 | TOTAL Elec Op and Maint Expn (Tot 80, 100, 126, 134, 141, 148, 168) | 22,455,086 | 20,703,398 | |

| | | | |
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|---|---|---------------------------------------|---------------------------------|

PURCHASED POWER (Account 555)
(Including power exchanges)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

| Line No. | Name of Company or Public Authority (Footnote Affiliations) (a) | Statistical Classification (b) | FERC Rate Schedule or Tariff Number (c) | Average Monthly Billing Demand (MW) (d) | Actual Demand (MW) | |
|----------|---|-----------------------------------|--|--|-----------------------------------|----------------------------------|
| | | | | | Average Monthly NCP Demand (e) | Average Monthly CP Demand (f) |
| 1 | ALLETE, Inc. 1/ | LF | 93 2/ | 80.9 | 81.2 | 73.6 |
| 2 | | | | | | |
| 3 | | | | | | |
| 4 | | | | | | |
| 5 | 1/ Parent Company | | | | | |
| 6 | 2/ Contract Expires in 2010 | | | | | |
| 7 | | | | | | |
| 8 | | | | | | |
| 9 | | | | | | |
| 10 | | | | | | |
| 11 | | | | | | |
| 12 | | | | | | |
| 13 | | | | | | |
| 14 | | | | | | |
| | | | | | | |
| | Total | | | | | |

| | | | |
|---|---|---------------------------------------|---------------------------------|
| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|---|---------------------------------------|---------------------------------|

PURCHASED POWER (Account 555) (Continued)
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.

5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.

7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.

8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.

9. Footnote entries as required and provide explanations following all required data.

| MegaWatt Hours Purchased (g) | POWER EXCHANGES | | COST/SETTLEMENT OF POWER | | | | Line No. |
|------------------------------------|-----------------------------------|------------------------------------|-------------------------------|-------------------------------|------------------------------|--|-------------|
| | MegaWatt Hours Received (h) | MegaWatt Hours Delivered (i) | Demand Charges (\$) (j) | Energy Charges (\$) (k) | Other Charges (\$) (l) | Total (j+k+l) of Settlement (\$) (m) | |
| 579,103 | | | 10,249,410 | 8,652,823 | | 18,902,233 | 1 |
| | | | | | | | 2 |
| | | | | | | | 3 |
| | | | | | | | 4 |
| | | | | | | | 5 |
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| | | | | | | | 10 |
| | | | | | | | 11 |
| | | | | | | | 12 |
| | | | | | | | 13 |
| | | | | | | | 14 |
| 579,103 | | | 10,249,410 | 8,652,823 | | 18,902,233 | |

| | | | | | |
|---|--|---|---|---------------------------------------|---------------------------------|
| Name of Respondent Superior Water, Light and Power Company | | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
| TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Including transactions referred to as 'wheeling') | | | | | |
| <p>1. Report all transmission of electricity, i. e., wheeling, provided for other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers.</p> <p>2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).</p> <p>3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)</p> <p>4. In column(d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: LF - for Long-term firm transmission service. "Long-term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract. SF - for short-term firm transmission service. Use this category for all firm services, where the duration of each period of commitment for service is less than one year.</p> | | | | | |
| Line No. | Payment By (Company of Public Authority) (Footnote Affiliation) (a) | Energy Received From (Company of Public Authority) (Footnote Affiliation) (b) | Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c) | Statistical Classification (d) | |
| 1 | ALLETE, Inc. 1/ | ALLETE, Inc. 1/ | City of Cloquet | LF | |
| 2 | | | | | |
| 3 | | | | | |
| 4 | | | | | |
| 5 | | | | | |
| 6 | | | | | |
| 7 | 1/ Parent Company | | | | |
| 8 | | | | | |
| 9 | | | | | |
| 10 | | | | | |
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| 12 | | | | | |
| 13 | | | | | |
| 14 | | | | | |
| 15 | | | | | |
| 16 | | | | | |
| 17 | | | | | |
| TOTAL | | | | | |

| | | | |
|---|---|---------------------------------------|---------------------------------|
| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|---|---------------------------------------|---------------------------------|

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)
(Including transactions referred to as 'wheeling')

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all nonfirm service regardless of the length of the contract and service from, designated units of less than one year. Describe the nature of the service in a footnote for each adjustment.

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

5. In column (e), identify the FERC Rate Schedule or Tariff Number. On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.

6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.

7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.

| FERC Rate Schedule of Tariff Number (e) | Point of Receipt (Substation or Other Designation) (f) | Point of Delivery (Substation or Other Designation) (g) | Billing Demand (MW) (h) | TRANSFER OF ENERGY | | Line No. |
|--|---|--|----------------------------------|-----------------------------------|------------------------------------|-------------|
| | | | | MegaWatt Hours Received (i) | MegaWatt Hours Delivered (j) | |
| | State Line | Cloquet Pumping | | 5,325 | 5,325 | 1 |
| | | Station | | | | 2 |
| | | | | | | 3 |
| | | | | | | 4 |
| | | | | | | 5 |
| | | | | | | 6 |
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| | | | | | | 13 |
| | | | | | | 14 |
| | | | | | | 15 |
| | | | | | | 16 |
| | | | | | | 17 |
| | | | 0 | 5,325 | 5,325 | |

| | | | |
|---|---|---------------------------------------|---------------------------------|
| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|---|---------------------------------------|---------------------------------|

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)
(Including transactions referred to as 'wheeling')

8. Report in column (i) and (j) the total megawatthours received and delivered.
9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
10. Provide total amounts in column (i) through (n) as the last Line. Enter "TOTAL" in column (a) as the Last Line. The total amounts in columns (i) and (j) must be reported as Transmission Received and Delivered on Page 401, Lines 16 and 17, respectively.
11. Footnote entries and provide explanations following all required data.

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

| Demand Charges (\$) (k) | Energy Charges (\$) (l) | (Other Charges) (\$) (m) | Total Revenues (\$) (k+l+m) (n) | Line No. |
|-------------------------------|-------------------------------|--------------------------------|---------------------------------------|-------------|
| | 15,750 | | 15,750 | 1 |
| | | | | 2 |
| | | | | 3 |
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| | | | | 12 |
| | | | | 13 |
| | | | | 14 |
| | | | | 15 |
| | | | | 16 |
| | | | | 17 |
| 0 | 15,750 | 0 | 15,750 | |

| | | | | | |
|---|--|---|--|---------------------------------------|---------------------------------|
| Name of Respondent Superior Water, Light and Power Company | | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
| MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC) | | | | | |
| Line No. | Description (a) | | | | Amount (b) |
| 1 | Industry Association Dues | | | | 8,843 |
| 2 | Nuclear Power Research Expenses | | | | |
| 3 | Other Experimental and General Research Expenses | | | | |
| 4 | Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities | | | | |
| 5 | Oth Expn >=5,000 show purpose, recipient, amount. Group if < \$5,000 | | | | 5,173 |
| 6 | | | | | |
| 7 | | | | | |
| 8 | | | | | |
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| 41 | | | | | |
| 42 | | | | | |
| 43 | | | | | |
| 44 | | | | | |
| 45 | | | | | |
| 46 | TOTAL | | | | 14,016 |

| | | | |
|---|---|---------------------------------------|---------------------------------|
| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|---|---------------------------------------|---------------------------------|

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Account 403, 404, 405)
(Except amortization of acquisition adjustments)

- Report in section A for the year the amounts for : (b) Depreciation Expense (Account 403; (c) Depreciation Expense for Asset Retirement Costs (Account 403.1; (d) Amortization of Limited-Term Electric Plant (Account 404); and (e) Amortization of Other Electric Plant (Account 405).
- Report in Section 8 the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute charges and whether any changes have been made in the basis or rates used from the preceding report year.
- Report all available information called for in Section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.
Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant included in any sub-account used.
In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional Classifications and showing composite total. Indicate at the bottom of section C the manner in which column balances are obtained. If average balances, state the method of averaging used.
For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification Listed in column (a). If plant mortality studies are prepared to assist in estimating average service Lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant. If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.
- If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.

A. Summary of Depreciation and Amortization Charges

| Line No. | Functional Classification (a) | Depreciation Expense (Account 403) (b) | Depreciation Expense for Asset Retirement Costs (Account 403.1) (c) | Amortization of Limited Term Electric Plant (Account 404) (d) | Amortization of Other Electric Plant (Acc 405) (e) | Total (f) |
|----------|---|---|--|--|---|--------------|
| 1 | Intangible Plant | | | | | |
| 2 | Steam Production Plant | | | | | |
| 3 | Nuclear Production Plant | | | | | |
| 4 | Hydraulic Production Plant-Conventional | | | | | |
| 5 | Hydraulic Production Plant-Pumped Storage | | | | | |
| 6 | Other Production Plant | | | | | |
| 7 | Transmission Plant | 229,721 | | | | 229,721 |
| 8 | Distribution Plant | 711,360 | | | | 711,360 |
| 9 | General Plant | 27,499 | | | | 27,499 |
| 10 | Common Plant-Electric | 78,209 | | | | 78,209 |
| 11 | TOTAL | 1,046,789 | | | | 1,046,789 |

B. Basis for Amortization Charges

| | | | |
|---|---|---------------------------------------|---------------------------------|
| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|---|---------------------------------------|---------------------------------|

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

| Line No. | Account No. (a) | Depreciable Plant Base (In Thousands) (b) | Estimated Avg. Service Life (c) | Net Salvage (Percent) (d) | Applied Depr. rates (Percent) (e) | Mortality Curve Type (f) | Average Remaining Life (g) |
|----------|------------------------|---|------------------------------------|------------------------------|--------------------------------------|-----------------------------|-------------------------------|
| 12 | 352 | 7 | 40.00 | | 2.50 | R2 | |
| 13 | 353 | 4,904 | 40.00 | | 2.50 | R2 | |
| 14 | 354 | 92 | 60.00 | -10.00 | 1.83 | R2 | |
| 15 | 355 | 1,656 | 35.00 | -10.00 | 3.14 | R2 | |
| 16 | 356 | 2,041 | 40.00 | -5.00 | 2.63 | R2 | |
| 17 | Subtotal | 8,700 | | | | | |
| 18 | | | | | | | |
| 19 | 361 | 35 | 51.00 | | 1.96 | R2 | |
| 20 | 362 | 3,040 | 40.00 | -5.00 | 2.63 | R2 | |
| 21 | 364 | 3,666 | 34.00 | -40.00 | 4.12 | L1 | |
| 22 | 365 | 3,690 | 30.00 | -4.00 | 4.67 | R2 | |
| 23 | 366 | 63 | 55.00 | -5.00 | 1.91 | R2 | |
| 24 | 367 | 2,328 | 30.00 | -25.00 | 4.17 | R2 | |
| 25 | 368 | 2,485 | 32.00 | | 3.13 | R2 | |
| 26 | 369 | 931 | 27.00 | -80.00 | 6.67 | R2 | |
| 27 | 370 | 2,254 | 20.00 | | 5.00 | R2 | |
| 28 | 371 | 70 | 15.00 | | 6.67 | R2 | |
| 29 | 373 | 334 | 20.00 | -20.00 | 6.00 | R2 | |
| 30 | Subtotal | 18,896 | | | | | |
| 31 | | | | | | | |
| 32 | | | | | | | |
| 33 | | | | | | | |
| 34 | 391.1 | 14 | 20.00 | | 5.00 | R2 | |
| 35 | 391.2 | 10 | 4.00 | | 25.00 | R2 | |
| 36 | 394 | 250 | 25.00 | | 4.00 | R2 | |
| 37 | 395 | 267 | 20.00 | | 5.00 | R2 | |
| 38 | 397 | 69 | 20.00 | | 5.00 | R2 | |
| 39 | Subtotal | 610 | | | | | |
| 40 | | | | | | | |
| 41 | | | | | | | |
| 42 | | | | | | | |
| 43 | Total | 28,206 | | | | | |
| 44 | | | | | | | |
| 45 | | | | | | | |
| 46 | | | | | | | |
| 47 | Depreciable Plant Base | | | | | | |
| 48 | is average of | | | | | | |
| 49 | beginning and ending | | | | | | |
| 50 | balances. | | | | | | |

| | | | |
|---|---|---------------------------------------|---------------------------------|
| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|---|---------------------------------------|---------------------------------|

REGULATORY COMMISSION EXPENSES

1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to format cases before a regulatory body, or cases in which such a body was a party.
2. Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous years.

| Line No. | Description (Furnish name of regulatory commission or body the docket or case number and a description of the case) (a) | Assessed by Regulatory Commission (b) | Expenses of Utility (c) | Total Expense for Current Year (b) + (c) (d) | Deferred in Account 182.3 at Beginning of Year (e) |
|----------|---|--|----------------------------------|--|--|
| 1 | Public Service Commission of | | | | |
| 2 | Wisconsin Docket Expenses | | | | |
| 3 | | | | | |
| 4 | | | | | |
| 5 | Docket 1-AC-175, Strategic Energy Assessment | | 34,245 | 34,245 | |
| 6 | | | | | |
| 7 | Docket 05-EP-08, Advance Plan 8 | | 1,071 | 1,071 | |
| 8 | | | | | |
| 9 | | | | | |
| 10 | Docket 5820-AE-100, Rainy River Energy Center | 1,157 | | 1,157 | |
| 11 | Affiliated Interest Agreement | | | | |
| 12 | | | | | |
| 13 | Docket 5820-RF-100, Cloquet-Renewable Ener Fac | 507 | | 507 | |
| 14 | | | | | |
| 15 | | | | | |
| 16 | Docket 5820-UR-108, Gas and Water Rate Case | 19,790 | 10,632 | 30,422 | |
| 17 | | | | | |
| 18 | | | | | |
| 19 | Docket 5820-WR-100, Public Fire Protection | 1,283 | 99 | 1,382 | |
| 20 | | | | | |
| 21 | Docket 5820-GP-106, 03-04 Gas Plan | | 4,784 | 4,784 | |
| 22 | | | | | |
| 23 | Docket 5820-RF-101, Hibbard-Renewable Ener Fac | 287 | | 287 | |
| 24 | | | | | |
| 25 | Docket 5820-SB-115/5820-AU-112, Short Term | 896 | | 896 | |
| 26 | Debt | | | | |
| 27 | | | | | |
| 28 | | | | | |
| 29 | | | | | |
| 30 | | | | | |
| 31 | | | | | |
| 32 | | | | | |
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| 40 | | | | | |
| 41 | | | | | |
| 42 | | | | | |
| 43 | | | | | |
| 44 | | | | | |
| 45 | | | | | |
| 46 | TOTAL | 23,920 | 50,831 | 74,751 | |

| | | | |
|---|---|---------------------------------------|---------------------------------|
| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|---|---------------------------------------|---------------------------------|

REGULATORY COMMISSION EXPENSES (Continued)

3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.
4. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.
5. Minor items (less than \$25,000) may be grouped.

| EXPENSES INCURRED DURING YEAR | | | | AMORTIZED DURING YEAR | | | |
|-------------------------------|-----------------------|---------------|-------------------------------------|--------------------------|---------------|--|-------------|
| CURRENTLY CHARGED TO | | | Deferred to Account 182.3 (i) | Contra Account (j) | Amount (k) | Deferred in Account 182.3 End of Year (l) | Line No. |
| Department (f) | Account No. (g) | Amount (h) | | | | | |
| | | | | | | | 1 |
| | | | | | | | 2 |
| | | | | | | | 3 |
| | | | | | | | 4 |
| Electric | 928 | 34,245 | | | | | 5 |
| | | | | | | | 6 |
| Electric | 928 | 1,071 | | | | | 7 |
| | | | | | | | 8 |
| | | | | | | | 9 |
| Electric | 928 | 1,157 | | | | | 10 |
| | | | | | | | 11 |
| | | | | | | | 12 |
| Electric | 928 | 507 | | | | | 13 |
| | | | | | | | 14 |
| | | | | | | | 15 |
| Gas and | 928 | 30,422 | | | | | 16 |
| Water | | | | | | | 17 |
| | | | | | | | 18 |
| Water | 928 | 1,382 | | | | | 19 |
| | | | | | | | 20 |
| Gas | 928 | 4,784 | | | | | 21 |
| | | | | | | | 22 |
| Electric | 928 | 287 | | | | | 23 |
| | | | | | | | 24 |
| Electric, | 928 | 896 | | | | | 25 |
| Gas, Water | | | | | | | 26 |
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| | | | | | | | 45 |
| | | 74,751 | | | | | 46 |

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|---|---|---------------------------------------|---------------------------------|
| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|---|---------------------------------------|---------------------------------|

DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

| Line No. | Classification (a) | Direct Payroll Distribution (b) | Allocation of Payroll charged for Clearing Accounts (c) | Total (d) |
|----------|---|------------------------------------|--|--------------|
| 1 | Electric | | | |
| 2 | Operation | | | |
| 3 | Production | | | |
| 4 | Transmission | | | |
| 5 | Distribution | 217,193 | | |
| 6 | Customer Accounts | 204,834 | | |
| 7 | Customer Service and Informational | 113,103 | | |
| 8 | Sales | | | |
| 9 | Administrative and General | 623,661 | | |
| 10 | TOTAL Operation (Enter Total of lines 3 thru 9) | 1,158,791 | | |
| 11 | Maintenance | | | |
| 12 | Production | | | |
| 13 | Transmission | 30,037 | | |
| 14 | Distribution | 170,080 | | |
| 15 | Administrative and General | | | |
| 16 | TOTAL Maint. (Total of lines 12 thru 15) | 200,117 | | |
| 17 | Total Operation and Maintenance | | | |
| 18 | Production (Enter Total of lines 3 and 12) | | | |
| 19 | Transmission (Enter Total of lines 4 and 13) | 30,037 | | |
| 20 | Distribution (Enter Total of lines 5 and 14) | 387,273 | | |
| 21 | Customer Accounts (Transcribe from line 6) | 204,834 | | |
| 22 | Customer Service and Informational (Transcribe from line 7) | 113,103 | | |
| 23 | Sales (Transcribe from line 8) | | | |
| 24 | Administrative and General (Enter Total of lines 9 and 15) | 623,661 | | |
| 25 | TOTAL Oper. and Maint. (Total of lines 18 thru 24) | 1,358,908 | 33,938 | 1,392,846 |
| 26 | Gas | | | |
| 27 | Operation | | | |
| 28 | Production-Manufactured Gas | 7,680 | | |
| 29 | Production-Nat. Gas (Including Expl. and Dev.) | | | |
| 30 | Other Gas Supply | 114,030 | | |
| 31 | Storage, LNG Terminating and Processing | | | |
| 32 | Transmission | | | |
| 33 | Distribution | 619,540 | | |
| 34 | Customer Accounts | 156,679 | | |
| 35 | Customer Service and Informational | 76,850 | | |
| 36 | Sales | | | |
| 37 | Administrative and General | 485,719 | | |
| 38 | TOTAL Operation (Enter Total of lines 28 thru 37) | 1,460,498 | | |
| 39 | Maintenance | | | |
| 40 | Production-Manufactured Gas | | | |
| 41 | Production-Natural Gas | | | |
| 42 | Other Gas Supply | | | |
| 43 | Storage, LNG Terminating and Processing | | | |
| 44 | Transmission | | | |
| 45 | Distribution | 249,767 | | |
| 46 | Administrative and General | | | |
| 47 | TOTAL Maint. (Enter Total of lines 40 thru 46) | 249,767 | | |
| | | | | |

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|---|--|---|--|---------------------------------------|---------------------------------|
| Name of Respondent Superior Water, Light and Power Company | | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
| DISTRIBUTION OF SALARIES AND WAGES (Continued) | | | | | |
| | | | | | |
| Line No. | Classification (a) | Direct Payroll Distribution (b) | Allocation of Payroll charged for Clearing Accounts (c) | Total (d) | |
| 48 | Total Operation and Maintenance | | | | |
| 49 | Production-Manufactured Gas (Enter Total of lines 28 and 40) | 7,680 | | | |
| 50 | Production-Natural Gas (Including Expl. and Dev.) (Total lines 29, | | | | |
| 51 | Other Gas Supply (Enter Total of lines 30 and 42) | 114,030 | | | |
| 52 | Storage, LNG Terminating and Processing (Total of lines 31 thru | | | | |
| 53 | Transmission (Lines 32 and 44) | | | | |
| 54 | Distribution (Lines 33 and 45) | 869,307 | | | |
| 55 | Customer Accounts (Line 34) | 156,679 | | | |
| 56 | Customer Service and Informational (Line 35) | 76,850 | | | |
| 57 | Sales (Line 36) | | | | |
| 58 | Administrative and General (Lines 37 and 46) | 485,719 | | | |
| 59 | TOTAL Operation and Maint. (Total of lines 49 thru 58) | 1,710,265 | 42,713 | 1,752,978 | |
| 60 | Other Utility Departments | | | | |
| 61 | Operation and Maintenance | 1,355,167 | 33,844 | 1,389,011 | |
| 62 | TOTAL All Utility Dept. (Total of lines 25, 59, and 61) | 4,424,340 | 110,495 | 4,534,835 | |
| 63 | Utility Plant | | | | |
| 64 | Construction (By Utility Departments) | | | | |
| 65 | Electric Plant | 146,059 | 3,647 | 149,706 | |
| 66 | Gas Plant | 88,488 | 2,210 | 90,698 | |
| 67 | Other (provide details in footnote): | 63,618 | 1,589 | 65,207 | |
| 68 | TOTAL Construction (Total of lines 65 thru 67) | 298,165 | 7,446 | 305,611 | |
| 69 | Plant Removal (By Utility Departments) | | | | |
| 70 | Electric Plant | 16,198 | 404 | 16,602 | |
| 71 | Gas Plant | 9,018 | 225 | 9,243 | |
| 72 | Other (provide details in footnote): | 14,883 | 372 | 15,255 | |
| 73 | TOTAL Plant Removal (Total of lines 70 thru 72) | 40,099 | 1,001 | 41,100 | |
| 74 | Other Accounts (Specify, provide details in footnote): | | | | |
| 75 | Clearing Accounts | 125,144 | -125,144 | | |
| 76 | Non-Regulated | 248,316 | - 6,202 | 254,518 | |
| 77 | Long-Term Disability Program | 58,131 | | 58,131 | |
| 78 | Billed to Parent Company | 114,138 | | 114,138 | |
| 79 | Miscellaneous | 29,635 | | 29,635 | |
| 80 | | | | | |
| 81 | | | | | |
| 82 | | | | | |
| 83 | | | | | |
| 84 | | | | | |
| 85 | | | | | |
| 86 | | | | | |
| 87 | | | | | |
| 88 | | | | | |
| 89 | | | | | |
| 90 | | | | | |
| 91 | | | | | |
| 92 | | | | | |
| 93 | | | | | |
| 94 | | | | | |
| 95 | TOTAL Other Accounts | 575,364 | -118,942 | 456,422 | |
| 96 | TOTAL SALARIES AND WAGES | 5,337,968 | | 5,337,968 | |
| | | | | | |

| | | | |
|---|---|---------------------------------------|--------------------------------|
| Name of Respondent Superior Water, Light and Power Company | This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec 31, 2003 |
| FOOTNOTE DATA | | | |

Schedule Page: 354 Line No.: 61 Column: b

Water Distribution Utility

Schedule Page: 354 Line No.: 67 Column: b

Water Distribution Utility

Schedule Page: 354 Line No.: 72 Column: b

Water Distribution Utility

| | | | |
|--|--|--|---|
| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, <u>2003</u> |
|--|--|--|---|

COMMON UTILITY PLANT AND EXPENSES

1. Describe the property carried in the utility's accounts as common utility plant and show the book cost of such plant at end of year classified by accounts as provided by Plant Instruction 13, Common Utility Plant, of the Uniform System of Accounts. Also show the allocation of such plant costs to the respective departments using the common utility plant and explain the basis of allocation used, giving the allocation factors.

2. Furnish the accumulated provisions for depreciation and amortization at end of year, showing the amounts and classifications of such accumulated provisions, and amounts allocated to utility departments using the Common utility plant to which such accumulated provisions relate, including explanation of basis of allocation and factors used.

3. Give for the year the expenses of operation, maintenance, rents, depreciation, and amortization for common utility plant classified by accounts as provided by the Uniform System of Accounts. Show the allocation of such expenses to the departments using the common utility plant to which such expenses are related. Explain the basis of allocation used and give the factors of allocation.

4. Give date of approval by the Commission for use of the common utility plant classification and reference to order of the Commission or other authorization.

| Account | Plant | Accum Dep | O&M Exp | Deprec Exp |
|------------------------------------|------------------|------------------|----------------|----------------|
| 303 Miscellaneous Intangible Plant | 1,081,846 | 1,081,846 | | 0 |
| 389 Land | 14,765 | | | |
| 390 Structures and Improvements | 2,352,135 | 787,949 | 140,604 | 47,769 |
| 391 Office Furniture and Equipment | 714,813 | 591,887 | | 60,602 |
| 392 Transportation Equipment | 540,190 | 471,444 | 380,912 | 47,500 |
| 393 Stores Equipment | 45,290 | 23,909 | | 2,265 |
| 394 Tools and Garage Equipment | 291,241 | 269,978 | 112,332 | 17,125 |
| 396 Power Operated Equipment | 211,490 | 141,477 | | 3,600 |
| 397 Communication Equipment | 800,440 | 635,088 | 113,948 | 64,506 |
| 398 Miscellaneous Equipment | 65,109 | 34,689 | | 3,255 |
| Total | 6,117,319 | 4,038,267 | 747,796 | 246,622 |

Allocation to Departments

| | | | | |
|-------------------|------------------|------------------|----------------|----------------|
| Electric | 2,446,928 | 1,615,307 | | 78,209 |
| Gas | 1,590,503 | 1,049,949 | | 50,836 |
| Water | 2,079,888 | 1,373,011 | | 66,477 |
| Clearing Accounts | | | 747,796 | 51,100 |
| Total | 6,117,319 | 4,038,267 | 747,796 | 246,622 |

Basis of Allocation

Plant is allocated on ratio of net Electric, Gas and Water plant.
 Accumulated Depreciation is allocated on net Electric, Gas and Water plant.
 O&M Expenses are allocated on actual expenses as recorded in current year.
Depreciation Expense:
 Account 392 is charged to clearing accounts and then cleared to O&M expense accounts, clearing accounts, construction work and cost to retire on the basis of time each month.
 Account 396 is allocated on engineering estimate of 67% Gas and 33% Water.
 All other accounts are allocated on the same basis as Common Plant.

Federal Power Commission letter dated 1/19/71.

| | | | |
|---|---|---------------------------------------|---------------------------------|
| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|---|---------------------------------------|---------------------------------|

ELECTRIC ENERGY ACCOUNT

Report below the information called for concerning the disposition of electric energy generated, purchased, exchanged and wheeled during the year.

| Line No. | Item (a) | MegaWatt Hours (b) | Line No. | Item (a) | MegaWatt Hours (b) |
|----------|--|-----------------------|----------|--|-----------------------|
| 1 | SOURCES OF ENERGY | | 21 | DISPOSITION OF ENERGY | |
| 2 | Generation (Excluding Station Use): | | 22 | Sales to Ultimate Consumers (Including Interdepartmental Sales) | 564,979 |
| 3 | Steam | | 23 | Requirements Sales for Resale (See instruction 4, page 311.) | |
| 4 | Nuclear | | 24 | Non-Requirements Sales for Resale (See instruction 4, page 311.) | |
| 5 | Hydro-Conventional | | 25 | Energy Furnished Without Charge | |
| 6 | Hydro-Pumped Storage | | 26 | Energy Used by the Company (Electric Dept Only, Excluding Station Use) | |
| 7 | Other | | 27 | Total Energy Losses | 14,124 |
| 8 | Less Energy for Pumping | | 28 | TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20) | 579,103 |
| 9 | Net Generation (Enter Total of lines 3 through 8) | | | | |
| 10 | Purchases | 579,103 | | | |
| 11 | Power Exchanges: | | | | |
| 12 | Received | | | | |
| 13 | Delivered | | | | |
| 14 | Net Exchanges (Line 12 minus line 13) | | | | |
| 15 | Transmission For Other (Wheeling) | | | | |
| 16 | Received | 5,325 | | | |
| 17 | Delivered | 5,325 | | | |
| 18 | Net Transmission for Other (Line 16 minus line 17) | | | | |
| 19 | Transmission By Others Losses | | | | |
| 20 | TOTAL (Enter Total of lines 9, 10, 14, 18 and 19) | 579,103 | | | |

| Name of Respondent Superior Water, Light and Power Company | | This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | | Date of Report (Mo, Da, Yr) / / | | Year of Report Dec. 31, 2003 | |
|--|--------------|---|--|---------------------------------------|---------------------|---------------------------------|--|
| MONTHLY PEAKS AND OUTPUT | | | | | | | |
| <p>1. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.</p> <p>2. Report in column (b) the system's energy output for each month such that the total on Line 41 matches the total on Line 20.</p> <p>3. Report in column (c) a monthly breakdown of the Non-Requirements Sales For Resale reported on Line 24. Include in the monthly amounts any energy losses associated with the sales so that the total on Line 41 exceeds the amount on Line 24 by the amount of losses incurred (or estimated) in making the Non-Requirements Sales for Resale.</p> <p>4. Report in column (d) the system's monthly maximum megawatt Load (60-minute integration) associated with the net energy for the system defined as the difference between columns (b) and (c)</p> <p>5. Report in columns (e) and (f) the specified information for each monthly peak load reported in column (d).</p> | | | | | | | |
| NAME OF SYSTEM: | | | | | | | |
| Line No. | Month (a) | Total Monthly Energy (b) | Monthly Non-Requirements Sales for Resale & Associated Losses (c) | MONTHLY PEAK | | | |
| | | | | Megawatts (See Instr. 4) (d) | Day of Month (e) | Hour (f) | |
| 29 | January | 52,299 | | 82 | 21 | 7:15 AM | |
| 30 | February | 47,071 | | 84 | 8 | 6:15 PM | |
| 31 | March | 48,333 | | 80 | 3 | 11:15 AM | |
| 32 | April | 45,573 | | 78 | 7 | 10:45 AM | |
| 33 | May | 41,028 | | 69 | 2 | 8:30 AM | |
| 34 | June | 43,543 | | 74 | 9 | 11:00 AM | |
| 35 | July | 47,586 | | 80 | 29 | 2:15 PM | |
| 36 | August | 48,941 | | 83 | 14 | 1:45 PM | |
| 37 | September | 48,160 | | 84 | 11 | 1:30 PM | |
| 38 | October | 51,760 | | 85 | 27 | 10:15 AM | |
| 39 | November | 50,808 | | 86 | 25 | 5:00 PM | |
| 40 | December | 54,001 | | 90 | 10 | 5:45 PM | |
| 41 | TOTAL | 579,103 | | | | | |

| | | | |
|---|---|---------------------------------------|---------------------------------|
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|---|---|---------------------------------------|---------------------------------|

TRANSMISSION LINE STATISTICS

- Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.
- Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
- Report data by individual lines for all voltages if so required by a State commission.
- Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
- Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction. If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
- Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

| Line No. | DESIGNATION | | VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase) | | Type of Supporting Structure (e) | LENGTH (Pole miles) (In the case of underground lines report circuit miles) | | Number Of Circuits (h) |
|----------|---------------------|--------------------|---|--------------|----------------------------------|--|-----------------------------------|------------------------|
| | From (a) | To (b) | Operating (c) | Designed (d) | | On Structure of Line Designated (f) | On Structures of Another Line (g) | |
| 1 | Line 75 | | | | | | | |
| 2 | Winter Street Sub | Stinson Avenue Sub | 115.00 | 115.00 | Single Pole, | 4.92 | 1.55 | 1 |
| 3 | | | | | Wood H-Frame | | | |
| 4 | | | | | Wood Poles | | | |
| 5 | | | | | | | | |
| 6 | Line 76 | | | | | | | |
| 7 | State Line | Winter Street Sub | 115.00 | 115.00 | Towers & | 0.43 | | 1 |
| 8 | | | | | H-Frame | 1.60 | | |
| 9 | | | | | Wood Poles | | | |
| 10 | | | | | | | | |
| 11 | Line 132 | | | | | | | |
| 12 | State Line | Stinson Avenue Sub | 115.00 | 115.00 | Single Pole | 10.51 | | 1 |
| 13 | | | | | Wood & | | | |
| 14 | | | | | Steel Poles | | | |
| 15 | | | | | | | | |
| 16 | Line 761 | | | | | | | |
| 17 | Douglas County Line | Stinson Avenue Sub | 115.00 | 115.00 | H-Frame | 25.75 | | 1 |
| 18 | | | | | Wood Poles | | | |
| 19 | | | | | | | | |
| 20 | Line 762 | | | | | | | |
| 21 | Stinson Avenue Sub | Minong | 161.00 | 161.00 | H-Frame | 42.86 | | 1 |
| 22 | | | | | Wood Poles | | | |
| 23 | | | | | | | | |
| 24 | | | | | | | | |
| 25 | | | | | | | | |
| 26 | | | | | | | | |
| 27 | | | | | | | | |
| 28 | | | | | | | | |
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| 31 | | | | | | | | |
| 32 | | | | | | | | |
| 33 | | | | | | | | |
| 34 | | | | | | | | |
| 35 | | | | | | | | |
| 36 | | | | | TOTAL | 86.07 | 1.55 | 5 |

| | | | |
|---|---|---------------------------------------|---------------------------------|
| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|---|---------------------------------------|---------------------------------|

TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)
8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.
9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.
10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

| Size of Conductor and Material (i) | COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way) | | | EXPENSES, EXCEPT DEPRECIATION AND TAXES | | | | Line No. |
|---------------------------------------|---|-------------------------------------|-------------------|---|-----------------------------|--------------|-----------------------|----------|
| | Land (j) | Construction and Other Costs (k) | Total Cost (l) | Operation Expenses (m) | Maintenance Expenses (n) | Rents (o) | Total Expenses (p) | |
| | | | | | | | | 1 |
| 636 MCM | 15,937 | 294,306 | 310,243 | | 2,347 | | 2,347 | 2 |
| 954 MCM | | | | | | | | 3 |
| ACSR | | | | | | | | 4 |
| | | | | | | | | 5 |
| | | | | | | | | 6 |
| 636 MCM | 1,502 | 300,081 | 301,583 | | 2,109 | | 2,109 | 7 |
| 954 MCM | | | | | | | | 8 |
| ACSR | | | | | | | | 9 |
| | | | | | | | | 10 |
| | | | | | | | | 11 |
| 336 MCM | 220,387 | 1,313,989 | 1,534,376 | | 2,564 | | 2,564 | 12 |
| 636 MCM | | | | | | | | 13 |
| 954 MCM | | | | | | | | 14 |
| ACSR | | | | | | | | 15 |
| | | | | | | | | 16 |
| 336 MCM | 23,518 | 452,253 | 475,771 | | 3,381 | | 3,381 | 17 |
| | | | | | | | | 18 |
| | | | | | | | | 19 |
| | | | | | | | | 20 |
| 636 MCM | 141,157 | 1,355,615 | 1,496,772 | | 93,290 | | 93,290 | 21 |
| | | | | | | | | 22 |
| | | | | | | | | 23 |
| | | | | | | | | 24 |
| | | | | | | | | 25 |
| | | | | | | | | 26 |
| | | | | | | | | 27 |
| | | | | | | | | 28 |
| | | | | | | | | 29 |
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| | | | | | | | | 31 |
| | | | | | | | | 32 |
| | | | | | | | | 33 |
| | | | | | | | | 34 |
| | | | | | | | | 35 |
| | 402,501 | 3,716,244 | 4,118,745 | | 103,691 | | 103,691 | 36 |

| | | | |
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| Name of Respondent Superior Water, Light and Power Company | This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec 31, 2003 |
| FOOTNOTE DATA | | | |

Schedule Page: 422 Line No.: 4 Column: i

0.53 Miles of 954, 5.94 Miles of 636

Schedule Page: 422 Line No.: 9 Column: i

0.53 Miles of 954, 1.50 Miles of 636

Schedule Page: 422 Line No.: 15 Column: i

0.34 Miles of 336, 0.45 Miles of 636, 9.72 Miles of 954

B L A N K P A G E

(Next page is 426)

| | | | |
|---|---|---------------------------------------|---------------------------------|
| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
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SUBSTATIONS

- Report below the information called for concerning substations of the respondent as of the end of the year.
- Substations which serve only one industrial or street railway customer should not be listed below.
- Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
- Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

| Line No. | Name and Location of Substation (a) | Character of Substation (b) | VOLTAGE (In MVA) | | |
|----------|--|--------------------------------|------------------|------------------|-----------------|
| | | | Primary (c) | Secondary (d) | Tertiary (e) |
| 1 | East End | Unattended | 13.80 | 2.40 | |
| 2 | | | | | |
| 3 | 28th Street | Unattended | 13.80 | 2.40 | |
| 4 | | | | | |
| 5 | Oakes Avenue | Unattended | 13.80 | 2.40 | |
| 6 | | | | | |
| 7 | Stinson Avenue | Unattended | 115.00 | 13.80 | |
| 8 | | | | | |
| 9 | University of Wisconsin-Superior | Unattended | 13.80 | 2.40 | |
| 10 | | | | | |
| 11 | Winter Street | Unattended | 115.00 | 13.80 | |
| 12 | | | | | |
| 13 | Stinson Avenue | Transmission | 115.00 | 161.00 | 13.80 |
| 14 | | Unattended | | | |
| 15 | | | | | |
| 16 | | | | | |
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| | | | |
|---|---|---------------------------------------|---------------------------------|
| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|---|---------------------------------------|---------------------------------|

SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.
6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

| Capacity of Substation (In Service) (In MVA) (f) | Number of Transformers In Service (g) | Number of Spare Transformers (h) | CONVERSION APPARATUS AND SPECIAL EQUIPMENT | | | Line No. |
|--|--|---|--|------------------------|-----------------------------------|-------------|
| | | | Type of Equipment (i) | Number of Units (j) | Total Capacity (In MVA) (k) | |
| 3 | 3 | 1 | Regulators | 6 | 576 | 1 |
| | | | | | | 2 |
| 3 | 3 | | | 3 | 300 | 3 |
| | | | | | | 4 |
| 2 | 3 | | | 3 | 225 | 5 |
| | | | | | | 6 |
| 70 | 2 | | | | | 7 |
| | | | | | | 8 |
| 3 | 1 | | Load Tap Changing Transformer | 1 | | 9 |
| | | | | | | 10 |
| 70 | 2 | | | | | 11 |
| | | | | | | 12 |
| 150 | 1 | | Phase Angle Regulating Transformer | 1 | 200,000 | 13 |
| | | | | | | 14 |
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| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report: (Mo, Da, Yr) | Year of Report Dec. 31, 2003 |
|--|---|---------------------------------|---------------------------------|
| LIST OF SUPPLEMENTARY SCHEDULES | | | |
| Enter in column (d) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. | | | |
| Omit pages where the responses are "none," "not applicable," or "NA." | | | |
| Title of Schedule (a) | Reference Page No. (b) | Date Revised (c) | Remarks (d) |
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| Completed Construction Cleared | F-16 | Ed. 12-89 | |
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| Power Adjustment Clause | E-5 | Ed. 12-89 | |
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| Coal Contract Information | E-40 | Ed. 12-89 | Not Applicable |
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| Gas Production Statistics | G-14 | Ed. 12-89 | Not Applicable |
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| | 429 | | |
| | | | Not Applicable |
| | | | Not Applicable |

RETURN ON COMMON EQUITY AND COMMON EQUITY PLUS ITC COMPUTATIONS

Note: Report on a corporate basis only; not consolidated. If you file monthly rate of return forms with the PSC, use the same method for completing this form. Use the average of the 12 monthly averages when computing average common equity.

| Description (a) | | Thousands of Dollars | |
|---|--|----------------------|-------------------------------|
| | | Common Equity (b) | Common Equity plus ITC (c) |
| Common Stock Outstanding | | 5,200 | 5,200 |
| Premium on Capital Stock | based on monthly averages if available | | |
| Capital Stock Expense | | 16,151 | 16,151 |
| Retained Earnings | | | |
| Deferred Investment Tax Credit (Only common equity portion if Form PSC-AF6 is filed on monthly Basis with the Commission) | | | 376 |
| Other (Specify): Miscellaneous Paid In Capital | | 757 | 757 |
| Total Average Common Stock Equity plus Deferred Investment Credit (sum of lines 14 thru 25) | | 22,108 | 22,484 |
| Net Income | | | |
| Add: Net Income | | 2,374 | 2,374 |
| Other (Specify): | | | |
| Less: Preferred Dividends | | | |
| Other (Specify): (If Form PSC-AF6 is filed with the Commission, net income must be reduced by that portion of net income representing debt cost of deferred investment tax credit as shown on the form.) | | | 24 |
| Adjusted Net Income | | 2,374 | 2,350 |
| Percent return (line 43 divided by line 27 to the nearest hundredth of a percent) | | 10.74 | 10.45 |

May not cross-check due to rounding.

RETURN ON RATE BASE COMPUTATION

Note: Report on a corporate basis only; not consolidated. If you file monthly rate of return forms with the PSC, use the same method for completing this form. Use the average of the 12 monthly averages when computing the rate base.

Thousands of Dollars

| Average Rate Base (a) | Electric (b) | Gas (c) | Water (d) | Total (e) |
|---|-----------------|------------|--------------|--------------|
| Add Average: | | | | |
| Utility Plant In Service | 28,576 | 17,446 | 24,328 | 70,350 |
| Allocation Of Common Plant | 2,349 | 1,526 | 1,997 | 5,872 |
| Completed Construction not Classified | | | | |
| Nuclear Fuel | | | | |
| Materials and Supplies | 216 | 663 | 98 | 977 |
| Other (Specify): | | | | |
| Plant Acquisition Adjustment | 59 | 13 | 45 | 117 |
| Less Average: | | | | |
| Reserve for Depreciation | 13,192 | 8,110 | 5,558 | 26,860 |
| Amortization Reserves | | | | |
| Customer Advances For Construction | 667 | 71 | 852 | 1,590 |
| Contribution in Aid of Construction | 165 | 48 | 72 | 285 |
| Other (Specify): | | | | |
| Deferred Income Taxes | 2,371 | 1,067 | 1,015 | 4,453 |
| Allocation of Common Reserve | 1,604 | 1,042 | 1,363 | 4,009 |
| Average Net Rate Base | \$13,201 | \$9,310 | \$17,608 | \$40,119 |
| RETURN | | | | |
| Total Operating Income | 1,712 | 785 | 1,341 | 3,838 |
| Less: (Specify): | | | | |
| Adjusted Operating Income | \$1,712 | \$785 | \$1,341 | \$3,838 |
| Adjusted Operating Income As A Percent Of Average Net Rate Base (Rounded To Nearest Hundredth of a Percent) | 12.97% | 8.43% | 7.62% | 9.57% |

REVENUES SUBJECT TO WISCONSIN REMAINDER ASSESSMENT

Report data necessary to calculate revenue subject to Wisconsin remainder assessment. For purposes of this schedule "out-of-state" and "in-state" refer to the geographic state of Wisconsin

| Description (a) | This Year (b) |
|--|------------------|
| Operating revenues | 50,767,140 |
| Less: out-of-state operating revenues | |
| Less: in-state interdepartmental sales | 131,785 |
| Less: current year write-offs of uncollectible accounts | |
| Wisconsin utility customers only | 379,653 |
| Plus: current year collection of Wisconsin utility customer accounts previously written off | 103,627 |
| Other | |
| Revenues subject to Wisconsin remainder assessment | \$50,359,329 |

May not cross-check due to rounding.

CONSTRUCTION OVERHEADS

Report hereunder the total overheads and the total direct cost of construction for the year. Projects under \$1,000,000 for class A utilities and \$500,000 for class B utilities, should be grouped by utility department and function.

ANNUAL CHARGES

| Project Description (a) | Direct Charges | | | |
|----------------------------|-------------------------|-----------------------------|-------------------------------|--------------|
| | Company Labor (b) | Company Materials (c) | Contractor Payments (d) | Other (e) |
| Electric Utility | | | | |
| Transmission | 0 | 0 | 0 | 54,460 |
| Distribution | 177,041 | 210,624 | 145,997 | 24,589 |
| General | 0 | 9,295 | 0 | 0 |
| Gas Utility | | | | |
| Transmission | 0 | 0 | 0 | 0 |
| Distribution | 125,250 | 98,017 | 112,865 | 730 |
| General | 0 | 13,673 | 0 | 0 |
| Water Utility | | | | |
| Source of Supply | 0 | 241 | (500) | 0 |
| Pumping | 0 | 0 | 58,064 | 0 |
| Water Treatment | 0 | 0 | 0 | 0 |
| Trans-Distribution | 89,885 | 85,450 | 13,663 | 0 |
| General | 0 | 81,570 | 42,940 | 0 |
| Common Utility - General | 537 | 30,372 | 177,881 | 5,941 |
| Total | \$392,713 | \$529,242 | \$550,910 | \$85,720 |
| % Of Total Direct Charges | 25.20% | 33.96% | 35.35% | 5.49% |

COMPLETED CONSTRUCTION CLEARED

Report hereunder the total cost of completed construction projects cleared from account 107 during the year. Projects under \$1,000,000 for class A utilities and \$500,000 for class B utilities, should be grouped by utility department and function.

| Project Description (a) | Direct Charges | | | |
|----------------------------|-------------------------|-----------------------------|-------------------------------|--------------|
| | Company Labor (b) | Company Materials (c) | Contractor Payments (d) | Other (e) |
| Electric | 171,410 | 294,379 | 145,997 | 126,298 |
| Gas | 151,181 | 120,146 | 190,925 | 2,512 |
| Water | 83,552 | 204,951 | 361,416 | 183 |
| Common | 19,784 | 38,117 | 797,413 | 26,757 |
| Total | \$425,926 | \$657,593 | \$1,495,752 | \$155,749 |
| % Of Total Direct Charges | 15.57% | 24.04% | 54.69% | 5.70% |

May not cross-check due to rounding.

CONSTRUCTION OVERHEADS (Continued)

Report hereunder the total overheads and the total direct cost of construction for the year. Projects under \$1,000,000 for class A utilities and \$500,000 for class B utilities, should be grouped by utility department and function.

| ANNUAL CHARGES | | | | | |
|--------------------------|-------------------------------|--------------------------------|------------------------------|-------------------|-------------------------------|
| Overheads | | | | | |
| Total Direct Charges (f) | Engineering & Supervision (g) | Administration and General (h) | Allowance for Funds Used (i) | Taxes & Other (j) | Total Columns (f+g+h+i+j) (k) |
| 54,460 | | 4,357 | 0 | 86 | 58,903 |
| 558,251 | | 48,694 | 0 | 174,119 | 781,065 |
| 9,295 | | 744 | 0 | 836 | 10,874 |
| 0 | | 0 | 0 | 0 | 0 |
| 336,863 | | 27,776 | 0 | 92,146 | 456,784 |
| 13,673 | | 1,094 | 0 | 1,153 | 15,920 |
| (259) | | 0 | 0 | 22 | (238) |
| 58,064 | | 4,645 | 0 | 0 | 62,709 |
| 0 | | 0 | 0 | 0 | 0 |
| 188,998 | | 16,026 | 0 | 69,926 | 274,950 |
| 124,510 | | 9,964 | 0 | 7,276 | 141,750 |
| 214,731 | | 19,193 | 0 | 3,269 | 237,193 |
| \$1,558,584 | | \$132,493 | \$0 | \$348,834 | \$2,039,911 |
| 100.00% | | 8.50% | 0.00% | 22.38% | 130.88% |

COMPLETED CONSTRUCTION CLEARED (Continued)

Report hereunder the total cost of completed construction projects cleared from account 107 during the year. Projects under \$1,000,000 for class A utilities and \$500,000 for class B utilities, should be grouped by utility department and function.

| Overheads | | | | | |
|--------------------------|-------------------------------|--------------------------------|------------------------------|-------------------|-------------------------------|
| Total Direct Charges (f) | Engineering & Supervision (g) | Administration and General (h) | Allowance for Funds Used (i) | Taxes & Other (j) | Total Columns (f+g+h+i+j) (k) |
| 738,084 | | 61,479 | 0 | 207,008 | 1,006,571 |
| 464,764 | | 41,262 | (1,131) | 106,704 | 611,600 |
| 650,101 | | 51,235 | 0 | 39,951 | 741,287 |
| 882,070 | | 84,441 | 1,131 | 53,161 | 1,020,804 |
| \$2,735,019 | | \$238,417 | \$0 | \$406,825 | \$3,380,261 |
| 100.00% | | 8.72% | 0.00% | 14.87% | 123.59% |

May not cross-check due to rounding.

INVESTMENTS AND FUNDS (ACCTS. 123-128,incl.)

1. Report, with separate subheadings for each account the securities owned by the utility; include date of issue and date of maturity in description of any debt securities owned. Designate any securities pledged and explain purpose of pledge in footnote. Minor investments included in Acct. 124 may be grouped by classes.

2. Report separately each fund account showing nature of assets included therein and list any securities included in fund accounts.
- 4
- 5
- 6
- 7
- 8
- 9

| Issuing Company And Type of Security (a) | Interest or Divid- end Rate (b) | Par Value per Share (c) | No. of Shares or Principal amount (d) | Book Cost End Of Year (e) |
|--|--|-------------------------------|---|---------------------------------|
| Account 128 Special Funds Investments of Deferred Employee Benefits | Various | Various | \$20,757 | \$20,757 |
| Total | | | \$20,757 | \$20,757 |

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May not cross-check due to rounding.

ACCOUNTS RECEIVABLE (Accts. 142-143)

| Particulars (a) | Amount end of year (b) | |
|--|------------------------------|----|
| Customer accounts receivable (142): | | 7 |
| Electric department | \$2,279,063 | 8 |
| Gas department | 1,597,179 | 9 |
| Water department | 497,798 | 10 |
| Other | | 11 |
| Total utility service | 4,374,040 | 12 |
| Merchandising, jobbing and contract work | 34,089 | 13 |
| Natural Gas Expansion Loans | 38,646 | 14 |
| Total (Acct.142) | \$4,446,775 | 15 |
| Other accounts receivable (143): | | 16 |
| Officers and employees (1430 0060) | \$15,747 | 17 |
| Subscriptions to capital stock | | 18 |
| All other (List separately only the large or unusual items): | | 19 |
| Sewer Billings for City of Superior | 458,358 | 20 |
| Miscellaneous | 70,824 | 21 |
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| | | 48 |
| Total | \$544,929 | 49 |

May not cross-check due to rounding

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS - CR (Acct. 144)

| Particulars (a) | Electric Utility Customers (b) | Gas Utility Customers (c) | Other Customers (d) | Total Utility Customers (e) |
|---|---|------------------------------------|---------------------------|--------------------------------------|
| Balance first of year | | | | \$396,609 |
| Add: Provision for uncollectibles during year | | | | 240,000 |
| Collection of accounts written off | | | | 103,627 |
| other credits (explain): | | | | |
| Total credits | | | | 343,627 |
| Less: Accounts written off | | | | 379,653 |
| other debits (explain): Annual Public Benefit payment to DOA | | | | 145,000 |
| Total debits | | | | 524,653 |
| Balance end of year | | | | \$215,583 |

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS - CR (Acct. 144) (cont.)

| Particulars (a) | Total Utility Customers (g) | Officers & Employees (h) | Other (i) | Total (j) |
|---|--------------------------------------|--------------------------------|--------------|--------------|
| Balance first of year | \$396,609 | | | \$396,609 |
| Add: Provision for uncollectibles during year | 240,000 | | | 240,000 |
| Collection of accounts written off | 103,627 | | | 103,627 |
| other credits (explain): | | | | |
| Total credits | 343,627 | | | 343,627 |
| Less: Accounts written off | 379,653 | | | 379,653 |
| other debits (explain): Annual Public Benefit payment to DOA | 145,000 | | | 145,000 |
| Total debits | 524,653 | | | 524,653 |
| Balance end of year | \$215,583 | | | \$215,583 |
| Loss on Wisconsin utility accounts: | | | | |
| Accounts written off | | | | 379,653 |
| Collection of such accounts previously written off | | | | 103,627 |
| Net loss | | | | \$276,026 |
| Notes to explain "other" on lines 11, 14, 26 & 29 above: | | | | |

RECEIVABLES FROM ASSOCIATED COMPANIES (Accts. 145-146)

Give particulars of any notes pledged or discounted. Show in column (a) date of issue, maturity date, and interest rate for any notes receivable

| | Amount end of year | |
|------------------------|--|--|
| Name of Company (a) | Notes Receivable (Acct. 145) (b) | Accts Receivable (Acct. 146) (c) |
| | | |
| Total | | 0 |

PREPAYMENTS (ACCT. 165)

| PREPAYMENTS (ACCT. 105) | |
|---|-------------------------------|
| Class of Prepayments (a) | Balance End of Year (b) |
| Prepaid Taxes - PSCofW Remainder Assessment | 33,748 |
| Insurance | 259,123 |
| Postage | 5,554 |
| Wisconsin License Fee | 909,000 |
| Life Insurance | 86,556 |
| Total | 1,293,981 |

MISCELLANEOUS CURRENT AND ACCRUED ASSETS (ACCT. 174)

Minor items may be grouped by classes, showing number of such items.

| Description of Assets (a) | Balance end of year (b) |
|---|-------------------------------|
| Accrued Natural Gas Demand Charges Accrued Natural Gas Commodity Charges | (26,901) 7,000 |
| Total | (19,901) |

May not cross-check due to rounding

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UNAMORTIZED DEBT DISCOUNT AND EXPENSE

Report below the particulars called for with respect to the unamortized debt discount and expense or net premium applicable to each class and series of long-term debt. Show separately any unamortized debt discount and expense or call premiums applicable to refunded issues, including separate subtotal therefor. Show in column (a) the method of amortization for each amount of debt discount and expense or premium.

Explain any charges or credits in column (c) and (d) other than amortization in Acct. 428 or 429.

Debt to which related
(a)

Unamortized debt expense (181):

First Mortgage Bonds 7.91% Series due 2013
First Mortgage Bonds 7.27% Series due 2008
Industrial Revenue Development Note Series due 2012
Industrial Revenue Development Note Series due 2021

Subtotal

Unamortized debt discount (226):

Industrial Revenue Development Note Series due 2021

Subtotal

Total

Unamortized premium on debt (251): None

Total

AND UNAMORTIZED PREMIUM ON DEBT (Accts. 181, 251)

Report below the particulars called for with respect to the unamortized debt discount and expense or net premium applicable to each class and series of long-term debt. Show separately any unamortized debt discount and expense or call premiums applicable to refunded issues, including separate subtotal therefor. Show in column (a) the method of amortization for each amount of debt discount and expense or premium.

Explain any charges or credits in column (c) and (d) other than amortization in Acct. 428 or 429.

| Discount and expense or (net premium) balance first of year (b) | Charges during year (c) | Credits during year (d) | Balance end of year (e) |
|---|----------------------------------|----------------------------------|----------------------------------|
| 30,856 | 0 | 5,610 | 25,246 |
| 31,245 | 0 | 5,208 | 26,037 |
| 15,423 | 0 | 1,582 | 13,841 |
| 109,431 | 0 | 99,292 | 10,139 |
| 186,955 | 0 | 111,692 | 75,263 |
| 98,591 | 0 | 5,235 | 93,356 |
| 98,591 | 0 | 5,235 | 93,356 |
| 285,546 | 0 | 116,927 | 168,619 |

PAYABLES TO ASSOCIATED COMPANIES (Acct. 233-234)

| | | |
|--|-------------------------------|----------------------------------|
| Include in column (a) description of any note payable including date of issue, date of maturity and interest rate. | | |
| | Amounts at end of year | |
| Name of Company (a) | Notes Payable (233) (b) | Accounts Payable (234) (c) |
| Minnesota Power (issued September 2003, no maturity date, variable interest rate) | \$400,000 | |
| Minnesota Power (issued October 2003, no maturity date, variable interest rate) | 200,000 | |
| Minnesota Power (issued November 2003, no maturity date, variable interest rate) | 800,000 | |
| Minnesota Power (issued December 2003, no maturity date, variable interest rate) | 4,200,000 | |
| Minnesota Power | | \$2,035,164 |
| Total | \$5,600,000 | \$2,035,164 |

INTEREST ACCRUED (Acct. 237)

| | |
|---|-------------------------------|
| Class of Debt (a) | Balance end of Year (b) |
| First Mortgage Bonds 7.91% Series due 2013 | \$98,875 |
| Interest on Debt to Minnesota Power (Guarantee of 7.91%) | 1,563 |
| Industrial Development Note due 2012 | 4,280 |
| Industrial Development Note 6.125% due 2021 | 66,354 |
| Interest on Debt to Minnesota Power (Guarantee of 6.125%) | 0 |
| First Mortgage Bonds 7.27 % Series due 2008 | 18,175 |
| Customer Deposits | 5,130 |
| Short Term Notes | 0 |
| Total | \$194,377 |

MISC. CURRENT AND ACCRUED LIABILITIES (Acct. 242)

| | |
|---|-------------------------------|
| Minor items may be grouped by classes. | |
| Description (a) | Balance end of Year (b) |
| Payrolls | \$139,331 |
| Accrued Payroll | 56,100 |
| Accrued Vacation | 318,501 |
| Dental Insurance Plan | 114,979 |
| Medical Insurance Plan | 42,676 |
| Medical Reimbursement Account | 3,604 |
| Dependent Reimbursement Account | 4,097 |
| Deferred Compensation - 1989 Leveraged ESOP | 13,538 |
| Deferred Compensation - 1990 Leveraged ESOP | 40,722 |
| Deferred Compensation - Flexible Dollars | 534 |
| Deferred Compensation - After Tax Contribution | 1,437 |
| Deferred Compensation - Pay Conversion | |
| Deferred Compensation - Supplemental Retirement | 35,302 |
| Audit Expense | 23,400 |
| Excess Water Revenues | 30,594 |
| Sewer Billings | 529,136 |
| Gas Cost Recovery Mechanism | 222,187 |
| Donation Accruals | 76,840 |
| Public Benefits Accrual | 7,303 |
| Year End Construction Accruals | 119,116 |
| Results Sharing | 398,600 |
| Miscellaneous | 14,664 |
| Total | \$2,192,661 |

May not cross-check due to rounding

DISTRIBUTION OF TAXES TO ACCOUNTS

Explain basis for allocation if used.

If the total does not equal taxes accrued, include a reconciling schedule.

| Function (a) | Wisconsin License Fee (b) | Wisconsin Income Tax (c) | Federal Income Tax (d) | FICA and Fed. and State Un- employment Tax (e) |
|-------------------------|------------------------------------|-----------------------------------|---------------------------------|---|
| Accts. 408.1 and 409.1: | | | | |
| Electric | 465,537 | 134,375 | 487,691 | 107,816 |
| Gas | 164,257 | 18,879 | 47,665 | 138,242 |
| Water | 163,707 | 90,679 | 300,294 | 114,492 |
| Heating | | | | |
| Accts. 408.2 and 409.2 | | (14,960) | (59,110) | |
| Acct. 409.3 | | | | |
| Clearing accounts | | | | |
| Construction Additions | | | | |
| Other (specify): | | | | |
| Acct 439 | | | | |
| Other Misc Accts | | | | |
| Total | \$793,501 | \$228,973 | \$776,540 | \$360,550 |

Notes and explanations regarding tax distribution:

DISTRIBUTION OF TAXES TO ACCOUNTS (Cont.)

| PSC Remainder Assessment (f) | Local Property Tax (g) | State and Local Taxes Other Than Wisconsin (h) | Other Taxes (i) | Total (j) |
|--|---------------------------------|---|--------------------|--------------|
| 25,439 | | | | 1,220,858 |
| 16,029 | | | | 385,072 |
| 5,931 | | 250,428 | | 925,531 |
| | 655 | | | (73,415) |
| | | | 9,505 | 9,505 |
| \$47,399 | \$655 | \$250,428 | \$9,505 | \$2,467,551 |
| Notes and explanations regarding tax distribution: | | | | |
| Reconcile line 28, col. j to page 262, col. d and col. f, line 41: | | | | |
| Adjust expense - not accrual - Federal - Misc Paid in Capital | | | (31,765) | |
| Adjust accrual - not expense - Federal and State | | | 0 | |
| Reconciled Total | | | 2,435,786 | |

May not cross-check due to rounding

SUPERIOR WATER, LIGHT & POWER COMPANY

| Amount | | | |
|--|-----------|-----------|-------------|
| Reconciliation of Taxable with Reported Book Income | FEDERAL | WISCONSIN | DIFFERENCE |
| + Net Income for the Year (Page 117) | 2,374,133 | 2,374,133 | 0 |
| Reconciling Items for the Year | | | |
| + Taxable Income not Reported on Books | | | |
| CIAC | 10,198 | 10,198 | 0 |
| Salvage on ACRS Disposals | - | - | 0 |
| | 10,198 | 10,198 | 0 |
| + Deductions Recorded on Books Not Deducted on Return | | | |
| Federal Income Tax - Current | 776,540 | 776,540 | 0 |
| Federal Income Tax - Deferred | 405,228 | 405,228 | 0 |
| Investment Tax Credit - Net | (42,042) | (42,042) | 0 |
| State Income Tax - Wisconsin - Current | 228,973 | 228,973 | 0 |
| State Income Tax - Wisconsin - Deferred | (94,861) | (94,861) | 0 |
| State Income Tax - Minnesota - Current | 35,470 | 35,470 | 0 |
| Disallowed Meals - 50% Rule | 7,580 | 7,580 | 0 |
| Lobbying | 438 | 438 | 0 |
| Penalties | - | 0 | 0 |
| Non-Deductible Dues | - | 0 | 0 |
| | 1,317,326 | 1,317,326 | 0 |
| - Deductions on Return Not Charged Against Book Income | | | |
| Provision to Reserve for Bad Debts - Net | 181,025 | 181,025 | 0 |
| Cost to Retire Util Plant Included as Charge to Deprec | | | |
| Reserve on Books, but Deductible for Tax | 240,272 | 240,272 | 0 |
| Amortization of Transmission Easement and Land Rights | 4,812 | 4,812 | 0 |
| Excess Tax Depreciation Over Book Depreciation | 1,464,788 | 305,798 | 1,158,990 |
| Accrued Vacation | 12,001 | 12,001 | 0 |
| Advance ESOP Deduction | 25,539 | 25,539 | 0 |
| EIP | 4,077 | 4,077 | 0 |
| Result Sharing | - | 0 | 0 |
| Deferred Compensation & Accrued Vacation | (63,753) | (63,753) | 0 |
| Deferred Directors Fees | - | - | 0 |
| Escrow Programs | 239,352 | 239,352 | 0 |
| Prepaid Insurance | 188,136 | 188,136 | 0 |
| Prepaid PSC-W | (2,551) | (2,551) | 0 |
| Stinson Phase Shifter | 30,137 | 30,137 | 0 |
| Stock Option Deduction | 16,090 | 16,090 | 0 |
| Pension Plan | (27,204) | (27,204) | 0 |
| RAR 91-93 Gas Expansion | 12,244 | 12,244 | 0 |
| Early Retirement Awards | - | - | 0 |
| Salvage | 21,313 | 21,313 | 0 |
| FAS 106 - Post Retirement Benefits | (104,215) | (104,215) | 0 |
| FAS 112 - Post Employment Benefits | (322,900) | (322,900) | 0 |
| Self Insured Reserve | - | - | 0 |
| Refundable Advances | (51,582) | (51,582) | 0 |
| | - | - | 0 |
| Carryforward - State contribution | - | - | 0 |
| | 1,867,581 | 708,591 | 1,158,990 |
| Income Before State Income Tax Deduction | 1,834,076 | 2,993,066 | (1,158,990) |
| - Deduction for State Income Taxes | | | |
| (State Income Taxes - Curr Year - WI) | 237,808 | | |
| (State Income Taxes - Curr Year - MN) | 4,735 | | |
| Prior year current state tax adjustments and reclassifications | - | | |
| Federal Taxable Income | 1,591,533 | 2,993,066 | (1,158,990) |
| Tax at 35% | 557,036 | 237,808 | |
| Prior Year Adjustments - Current | (204,185) | (12,537) | |
| Adjust Computed Amount to Accrued Amount | 15,319 | (21,372) | |
| Accrued Tax | 776,540 | 228,973 | |

INTEREST AND DIVIDEND INCOME (Acct. 419)

| Security or account on which received (a) | Interest or dividend rate (b) | Amount (c) | |
|--|-------------------------------------|---------------|--|
| (list items greater than \$10,000 separately, others may be grouped): | | | |
| Customer late payment charges (including loans) | Various | 2,039 | |
| National Bank of Commerce | Variable | 9,093 | |
| M&I Bank | Variable | 78 | |
| Miscellaneous | Variable | 0 | |
| Total interest and dividends | | \$11,210 | |
| Expenses applicable to above (as listed hereunder): | | | |
| Total expenses | | | |
| Interest and dividend income, before taxes | | \$11,210 | |

May not cross-check due to rounding

DETAIL OF CERTAIN GENERAL EXPENSE ACCOUNTS

| Description of item (a) | Amount (b) | |
|--|--|--|
| Acct. 923--OUTSIDE SERVICES EMPLOYED--State total cost, nature of service, and name of each person who was paid for services includible in this account, \$10,000 or more in case of Class B utilities and \$25,000 or more in case of Class A utilities. Audit Expense - PricewaterhouseCoopers Administrative Services - Minnesota Power Provide Mail Services - Comtec, Inc Tree Trimming - Lakes States Tree Service, Inc Collect Bad Debts - Commercial Service Bureau, Inc Miscellaneous | \$46,800 595,464 75,607 40,000 22,151 146,802 | 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 |
| Total | \$926,824 | 24 |
| Acct. 924--PROPERTY INSURANCE--List hereunder major classes of expenses and also state extent to which utility is self-insured against insurable risks to its property: Premiums for insurance Dividends received from insurance companies--cr. Amounts credited to Acct. 261, Property Insurance Reserve Other expenses (list major classes): | \$42,515 | 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 |
| Total | \$42,515 | 40 |
| Acct. 925--INJURIES AND DAMAGES--List hereunder major classes of expense. Also, state extent to which utility is self-insured against risks of injuries and damages to employees or to others: Premiums for insurance Dividends received from insurance companies--cr. Amounts credited to Acct. 262, Injuries and Damages Reserves Expenses of investigating and adjusting claims Cost of safety and accident-prevention activities Other expenses (list major classes): | \$382,636 | 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 |
| Total | \$382,636 | 60 |

May not cross-check due to rounding

DETAIL OF CERTAIN GENERAL EXPENSE ACCOUNTS (Cont.)

| Description of item (a) | Amount (b) |
|---|---------------|
| Acct. 926--EMPLOYEE PENSIONS AND BENEFITS--Report total amount for utility hereunder and show credit for amounts transferred to construction or other accounts, leaving the net balance in Acct. 926 | |
| Pension accruals or payments to pension fund | \$27,204 |
| Pension payments under unfunded basis | 13,029 |
| Employees benefits (life, health, accident & hospital insur. etc.) | 1,377,235 |
| Expense of educational and recreational activities for employees | 2,564 |
| Other expenses (list major items) | |
| Credit amount transferred to capital accounts | (265,310) |
| Flexible Compensation | 18,149 |
| Supplemental Retirement | 105,720 |
| Miscellaneous | 54,863 |
| Total | \$1,333,454 |
| Acct. 930.2--MISCELLANEOUS GENERAL EXPENSES | |
| Industry association dues | \$14,873 |
| Nuclear power research expenses | |
| Other experimental and general research expenses - (EPRI, acct 930.3) | |
| Expenses of corporate organization and of servicing outstanding securities of utility | |
| Directors fees and expenses | |
| Other expenses (list major items): | |
| Miscellaneous | 9,849 |
| Total | \$24,722 |
| Acct. 922--ADMINISTRATIVE EXPENSES TRANSFERRED--Cr.--Explain basis of computation of credit in this account. | \$216,213 |
| A study is made annually, based on judgment as well as time, of the amount of salary and office supplies and expenses which is allocable to construction; an amount equal to 8% of direct costs of constructed additions is charged to construction work in progress monthly and credited to this account. With respect to purchased additions such as meters, transformers, autos, etc as well as construction work by contractors, no amount is charged to construction work in progress or credited to this account. | |
| Total | \$216,213 |

May not cross-check due to rounding

COMMON UTILITY PLANT AND ACCUMULATED DEPRECIATION

| Utility Plant in Service | | | | | |
|--|------------------------------------|--------------------------------------|---------------------------------------|---------------------|-----------------------|
| Description (Use both title and account number) (a) | Additions during year (b) | Retirements during year (c) | Adjustments dr. or (cr.) (d) | Balance end of year | |
| | | | | Total (e) | Located in Wis (f) |
| Intangible plant-common Organization | | | | | |
| Total intangible | | | | | |
| General plant | | | | | |
| Misc & Tangible Plant (303) | | | | | 1,081,846 |
| Land & land rights (389) | | | | | 14,765 |
| Structures & improv (390) | 987,428 | | | | 2,352,135 |
| Off furn & fixt (391) | 12,076 | | | | 714,813 |
| Transportation equip (392) | 3,409 | 142,314 | | | 540,190 |
| Stores equip (393) | | | | | 45,290 |
| Tools, shop & gar (394) | | | | | 291,241 |
| Laboratory (395) | | | | | 0 |
| Power operated equip (396) | | 39,065 | | | 211,490 |
| Communication (397) | 34,451 | | | | 800,440 |
| Miscellaneous (398) | | | | | 65,109 |
| Total general plant | 1,037,364 | 181,379 | 0 | | 6,117,319 |
| TOTAL | 1,037,364 | 181,379 | 0 | | 6,117,319 |

ALLOCATION TO UTILITY DEPARTMENTS

| Particulars (a) | Plant end of year (b) | Accumulated deprec. end of year (c) | Depreciation accruals (d) |
|--|-----------------------------|--|---------------------------------|
| Electric | 2,446,928 | 1,615,307 | 78,209 |
| Gas | 1,590,503 | 1,049,949 | 50,836 |
| Water | 2,079,888 | 1,373,011 | 66,477 |
| Steam Heating | | | |
| Subtotal | | | 195,522 |
| Transportation Equipment - Clearing Accounts | | | 47,500 |
| Power Operated Equipment - Clearing Accounts | | | 3,600 |
| Clearing Account Adjustments and transferred plant adjustments | | | 0 |
| Total | 6,117,319 | 4,038,267 | 246,622 |

May not cross-check due to rounding.

COMMON UTILITY PLANT AND ACCUMULATED DEPRECIATION (cont.)

| Accumulated provision for depreciation | | | | | | | |
|--|------------|-------------------------|--------------------------------|---------------------|-------------|-------------------------------------|-------------------------|
| Straight line accruals | | Additional accruals (i) | Book cost of plant retired (j) | Cost of removal (k) | Salvage (l) | Other additions or (deductions) (m) | Balance end of year (n) |
| Rate (g) | Amount (h) | | | | | | |
| | | | | | | | |
| | | | | | | | |
| 25.00 | 0 | | | | | | 1,081,846 |
| 2.78 | 47,769 | | | | | | 787,949 |
| 9.09 | 60,602 | | | | | | 591,887 |
| Unit | 47,500 | | 142,314 | | 20,457 | | 471,444 |
| 5.00 | 2,265 | | | | | | 23,909 |
| 5.88 | 17,125 | | | | | | 269,978 |
| Unit | 3,600 | | 39,065 | | 7,000 | | 141,477 |
| 8.33 | 64,506 | | | | | | 635,088 |
| 5.00 | 3,255 | | | | | | 34,689 |
| | 246,622 | | 181,379 | 0 | 27,457 | 0 | 4,038,267 |
| | | | | | | | |
| | 246,622 | | 181,379 | 0 | 27,457 | 0 | 4,038,267 |
| <p>Explanation of method of allocating common plant, accumulated depreciation, and depreciation expense by utility departments.</p> <p>Basis of Allocation</p> <p>Common Plant - based on accumulated plant additions and retirements.</p> <p>Accumulated Depreciation - based on accumulated depreciation accruals less retirements</p> <p>Depreciation Expense - (1) Account 392, charged to clearing account and then cleared to operation and maintenance expense, clearing accounts, construction work and cost to retire on basis of time each month.</p> <p>(2) Account 396, allocated on engineering estimate of 67% Gas and 33% Water.</p> <p>(3) All other accounts, allocated on the same basis as administrative and general expenses, Electric 50%, Gas 34%, Water 16%.</p> | | | | | | | |

May not cross-check due to rounding.

ELECTRIC EXPENSES

| Report all amounts under column d, "total operations" , on the basis and in conformity with the uniform system of accounts and accounting directives prescribed by this commission. Allocate "total operations" amounts jurisdictionally between Wisconsin (PSCW) jurisdiction and all other jurisdiction. | | | |
|--|--|--|----------------------------|
| Particulars (a) | Wisconsin jurisdictional operations (b) | Other jurisdictional operations (c) | Total operations (d) |
| OPERATING EXPENSES | | | |
| Power production expenses (500-557) | 18,929,480 | | 18,929,480 |
| Transmission expenses (560-573) | 119,329 | | 119,329 |
| Distribution expenses (580-598) | 691,595 | | 691,595 |
| Customer accounts expenses (901-905) | 419,100 | | 419,100 |
| Customer service expenses (907-910) | 562,967 | | 562,967 |
| Sales promotion expenses (911-916) | 10,339 | | 10,339 |
| Administration and general expenses (920-935) | 1,722,276 | | 1,722,276 |
| Total operation and maintenance expenses (401-402) | 22,455,086 | | 22,455,086 |
| Depreciation expense (403) | 1,046,789 | | 1,046,789 |
| Amortization of limited-term utility plant (404) | | | |
| Amortization of other utility plant (405) | | | |
| Amortization of utility plant acquisition adjustment (406) | 12,241 | | 12,241 |
| Amortization of property losses (407) | | | |
| Taxes other than income taxes (408.1) | 580,283 | | 580,283 |
| Income taxes (409.1) | 622,066 | | 622,066 |
| Provision for deferred income taxes (410.1) | 26,734 | | 26,734 |
| Investment tax credits, net (411.4) | (31,396) | | (31,396) |
| Total operating expenses | 24,711,803 | | 24,711,803 |

SALES TO ULTIMATE CUSTOMERS

| | | | |
|--|--------------------------------------|-------------------------------|------------------------------|
| <p>1. Report data by rate schedule for all sales of retail electricity (including unbilled revenues and KWH) for each account. Show totals for each account and for combined sales to ultimate customers.</p> <p>2. Report number of customers on the basis of number of meters plus the number of flat rate accounts. Where meter readings are added for billing purposes, count one customer for each group of meters so added. Compute the average on the basis of the 12 month ended figures.</p> <p>3. If the customer count in any service classification includes customers counted more than once because of special services, such as water heating, etc., indicate in a footnote the number of such duplicate customers included in the classification.</p> | | | |
| Rate schedule (a) | Wisconsin Geographical Operations | | |
| | Revenues (b) | KWH "000's" omitted (c) | Avg. no. customers (d) |
| Residential Sales | | | |
| ER1 | 4,927,946 | 74,549 | 11,167 |
| EH1 | 650,949 | 10,516 | 886 |
| EN1 | 19,853 | 105 | 202 |
| EW1 | 11,950 | 277 | 97 |
| ED1 | <u>44,483</u> | <u>1,241</u> | <u>95</u> |
| Total | 5,655,181 | 86,688 | 12,447 |
| Commercial and Industrial Sales | | | |
| EC1 | 572,608 | 8,282 | 999 |
| EC3 | 5,131,079 | 104,375 | 726 |
| EC5 | 1,182,442 | 28,339 | 4 |
| EP1 | 540,079 | 11,991 | 12 |
| EP3 | 6,431,812 | 160,457 | 11 |
| EP5 | 5,403,881 | 158,499 | 1 |
| EN1 | 22,269 | 138 | 199 |
| EZ1 | 2,283 | 27 | 3 |
| ISR | <u>102,100</u> | <u>2,313</u> | <u>1</u> |
| Total | 19,388,553 | 474,421 | 1,956 |
| Public Street and Highway Lighting | | | |
| EL1 | 166,915 | 1,912 | 11 |
| Interdepartmental | | | |
| EC1 | 3,236 | 42 | 9 |
| EC3 | 81,741 | 1,913 | 6 |
| EN1 | <u>390</u> | <u>2</u> | <u>3</u> |
| Total | 85,367 | 1,957 | 18 |
| Total to Ultimate Customers | 25,296,016 | 564,978 | 14,432 |

May not cross-check due to rounding.

POWER COST ADJUSTMENT CLAUSE (if applicable)

Report below the revenue derived from the power cost adjustment clause for the year for each rate schedule that is reported on page E-2. Do not combine any of the rate schedules.

| Rate schedules (a) | PCAC revenue (Wisconsin Only) (b) |
|---|--|
| ER1 | 102,210 |
| EH1 | 15,596 |
| EC1 | 11,681 |
| EC3 | 146,108 |
| EC5 | 42,999 |
| EP1 | 17,269 |
| EP3 | 211,575 |
| EP5 | 221,937 |
| EW1 | 456 |
| EN1 | 330 |
| EL1 | 2,760 |
| EZ1 | 34 |
| ED1 | 1,849 |
| ISR | 3,427 |
| POWER COST ADJUSTMENT CLAUSE FACTOR (if applicable) | |
| 1. Report below in col. (b) the monthly PCAC Factors actually applied in determining monthly revenues for the year. | |
| 2. The monthly PCAC Factor may be stated as a percent or as dollars per Kwh according to your power cost adjustment clause. | |
| Month (a) | Adjustment factor (Wisconsin Only) (b) |
| January | \$0.0013 |
| February | (\$0.0008) |
| March | \$0.0016 |
| April | \$0.0053 |
| May | \$0.0071 |
| June | \$0.0033 |
| July | \$0.0009 |
| August | \$0.0002 |
| September | (\$0.0011) |
| October | \$0.0021 |
| November | (\$0.0015) |
| December | (\$0.0003) |

OTHER ELECTRIC OPERATING REVENUES (ACCTS. 450-456)

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1. Report succinct statement of the revenues in each account and show separate totals for each account.
2. Report name of lessee and description of property for major items of rent revenue. Group other rents less than \$25,000 by classes.
3. For sales of water and water power, report name of purchaser, purpose for which water used and the development supplying water.
4. Report basis of charges for any interdepartmental rents.
5. Report details of major items in Acct. 456. Group items less than \$25,000.

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| Particulars (a) | Amount (b) |
|---|------------------|
| Account 450 Forfeited Discounts | |
| Interest on Late Payments | 51,764 |
| Account 451 Miscellaneous Service Revenues | |
| Connection and Reconnection Charges | 20,355 |
| Account 454 Rent From Electric Property | |
| Minnesota Power pool interconnect facilities charge | 589,704 |
| Minnesota Power fiber optic lease | 6,612 |
| Pole Rental | 18,515 |
| Account 456 Other Electric Revenues | |
| Minnesota Power - Cloquet pumping station wheeling charge | 15,750 |
| Phase Shifter | 304,800 |
| Revenue Adjustment PCAC | 31,900 |
| Wisconsin Sales Tax | 4,736 |
| Minimum Contract from Customer | 24,541 |
| Other | 58,967 |
| Total 456 | 440,694 |
| Total (Accounts 450-456) | 1,127,645 |

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May not cross-check due to rounding.

ACCUM. PROV. FOR DEPRECIATION OF PLANT IN SERVICE (Acct. 108)

| Report in column (e) additional depreciation expense authorized by Commission to be charged where tax depreciation allowances exceed book amounts. | | | | |
|--|---------------------------------|---------------------------------------|--------------------------------|-----------------------------|
| Primary plant accounts (a) | Balance first of year (b) | S.L. Dpr. rate % used (c) | Accruals During Year | |
| | | | Straight line amount (d) | Additional amount (e) |
| STEAM PRODUCTION | | | | |
| Land and land rights (310) | | | | |
| Structures & improvements (311)* | | | | |
| Boiler plant equipment (312)* | | | | |
| Engines & eng.-driven gen. (313) | | | | |
| Turbogenerator units (314)* | | | | |
| Accessory elec. equipment (315)* | | | | |
| Misc. power equipment (316)* | | | | |
| Total steam production | | | | |
| NUCLEAR PRODUCTION | | | | |
| Land and land rights (320) | | | | |
| Structures & improvements (321) | | | | |
| Reactor plant equip. (322)* | | | | |
| Turbogenerator units (323) | | | | |
| Accessory elec. equipment (324) | | | | |
| Misc. power plant equip. (325) | | | | |
| Total nuclear prod. plant | | | | |
| HYDR. & PUMPED STORAGE | | | | |
| Structures & improvements (331) | | | | |
| Reser., dams & waterways (332) | | | | |
| Water wheels, turb. & gen. (333) | | | | |
| Accessory elec. equipment (334) | | | | |
| Misc. power plant equip. (335) | | | | |
| Roads, railroads & bridges (336) | | | | |
| Total hydraulic production | | | | |
| OTHER PRODUCTION | | | | |
| Structures & imprvmnts. (341) | | | | |
| Fuel holders, prod. & access. (342) | | | | |
| Prime movers (343) | | | | |
| Generators (344) | | | | |
| Accessory elec. equipment (345) | | | | |
| Misc. power plant equipment (346) | | | | |
| Total other production | | | | |
| TRANSMISSION PLANT | | | | |
| Land and land rights (350) | | | | |
| Structures & imprvmnts. (352) | | | | |
| Station equipment (353) | 2,196,225 | 2.50 | 122,609 | |
| Towers and fixtures (354) | 64,967 | 1.83 | 1,681 | |
| Poles and fixtures (355) | 1,207,786 | 3.14 | 51,794 | |
| Overhead cond. & devices (356)* | 1,319,650 | 2.63 | 52,781 | |
| Clearing Land & Right of Way (356.1) | 26,004 | 2.50 | 856 | |
| Underground cond. & devices (358) | | | | |
| Roads and trails (359) | | | | |
| Total transmission | 4,814,632 | | 229,721 | 0 |

May not cross-check due to rounding.

ACCUMULATED PROVISION FOR DEPRECIATION OF PLANT IN SERVICE

| Book cost of plant retired (f) | Cost of removal (g) | Salvage (h) | Other additions or deductions | | Balance end of year (k) |
|--------------------------------------|---------------------------|----------------|-------------------------------|---------------|---|
| | | | Debit (l) | Credit (j) | |
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| 94898 | | | | | 2,223,936 66,648 1,259,580 1,372,431 26,860 |
| 94,898 | 0 | 0 | 0 | 0 | 4,949,455 |

May not cross-check due to rounding.

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ACCUMULATED PROVISION FOR DEPRECIATION OF PLANT IN SERVICE

Report in column (e) additional depreciation expense authorized by Commission to be charged where tax depreciation allowances exceed book amounts.

| Primary plant accounts (a) | Balance first of year (b) | S.L. Dpr. rate % used (c) | Accruals during year | |
|-----------------------------------|---------------------------------|------------------------------------|--------------------------------|-----------------------------|
| | | | Straight line amount (d) | Additional amount (e) |
| DISTRIBUTION PLANT | | | | |
| Land and land rights (360) | | | | |
| Structures & improvements (361) | 12,148 | 1.96 | 678 | |
| Station equipment (362) | 1,831,977 | 2.63 | 79,964 | |
| Storage battery equip. (363) | | | | |
| Poles, towers & fixtures (364) | 1,184,836 | 4.12 | 151,040 | |
| Overhd cond. and devices (365) | 1,831,585 | 4.67 | 172,314 | |
| Underground conduit (366) | 35,992 | 1.91 | 1,206 | |
| Underground cond. & devices (367) | 704,891 | 4.17 | 97,059 | |
| Line transformers (368) | 684,764 | 3.13 | 77,767 | |
| Services (369) | 718,507 | 6.67 | 62,198 | |
| Meters (370) | 624,157 | 5.00 | 112,725 | |
| Install. on cust. prem. (371) | 26,979 | 6.67 | 4,651 | |
| Leased prop. on cust. prem. (372) | | | | |
| St. lighting & signal sys. (373) | 126,217 | 6.00 | 20,122 | |
| Total distribution | 7,782,053 | | 779,724 | |
| GENERAL PLANT | | | | |
| Structures and imprvmnts. (390) | | | | |
| Office furniture & equip. (391) | 5,309 | 5.00 | 705 | |
| Computer equip. (391.2) | 9,783 | 25.00 | 0 | |
| Stores equipment (393) | | | | |
| Tools, shop & garage equip. (394) | 128,803 | 4.00 | 9,983 | |
| Laboratory equipment (395) | 169,931 | 5.00 | 13,381 | |
| Power operated equipment (396) | | | | |
| Communication equipment (397) | 35,120 | 5.00 | 3,430 | |
| Miscellaneous equipment (398) | | | | |
| Other tangible property (399) | | | | |
| Total general | 348,946 | | 27,499 | 0 |
| Total | 12,945,631 | | 1,036,944 | 0 |

DEPRECIATION SUMMARY

| | |
|--|-------------------|
| Total depreciation expense (columns (d) and (e)) | 1,036,944 |
| Less amounts charged to clearing accounts | |
| Less amortization of pre-1990 contributions in aid of construction | 68,364 |
| Less allocation of General Plant salvage | 0 |
| Less adjustment from general plant and other activity | 0 |
| Plus allocation of depreciation on common plant | 78,209 |
| Total electric depreciation expense | 1,046,789 |
| Total reserve balance (column k) | 13,507,484 |
| Plus pre-1990 Contributions in aid of construction balance | 131,139 |
| Plus allocation of reserve on common plant | 1,615,307 |
| Total depreciation reserve for electric utility | 15,253,930 |

May not cross-check due to rounding.

ACCUMULATED PROVISION FOR DEPRECIATION OF PLANT IN SERVICE

| Book cost of plant retired (f) | Cost of removal (g) | Salvage (h) | Other additions or deductions | | Balance end of year (k) |
|--|---------------------------|----------------|-------------------------------|---------------|----------------------------------|
| | | | Debit (i) | Credit (j) | |
| | | | | | 12,826 |
| | | | | | 1,911,941 |
| 74,061 | 70,892 | 10,850 | | | 1,201,773 |
| 5,091 | 44,605 | 551 | | | 1,954,754 |
| | | | | | 37,198 |
| 10,253 | 14,320 | | | | 777,377 |
| 124,113 | 9,770 | 671 | | | 629,319 |
| 1,925 | 9,028 | 26 | | | 769,778 |
| 21,280 | | | | | 715,602 |
| 1,991 | 135 | | | | 29,504 |
| | | | | | |
| 125 | 4,772 | 70 | | | 141,512 |
| 238,839 | 153,522 | 12,168 | 0 | 0 | 8,181,584 |
| | | | | | |
| | | | | | 6,014 |
| | | | | | 9,783 |
| | | | | | |
| | | | | | 138,786 |
| | | | | | 183,312 |
| | | | | | |
| | | | | | 38,550 |
| 0 | 0 | 0 | 0 | 0 | 376,445 |
| 333,737 | 153,522 | 12,168 | 0 | 0 | 13,507,484 |
| Explanation of items in columns (i) and (j): | | | | | |

May not cross-check due to rounding.

MONTHLY PEAKS AND OUTPUT

1. Report hereunder the information called for pertaining to simultaneous peaks established monthly (in thousands of kilowatts) and monthly output (in thousands of kilowatt-hours).
2. Monthly peak col. (b) should be respondent's maximum kw. load as measured by the sum of its coincidental net generation and purchases plus or minus net interchange minus temporary deliveries (not interchange) of emergency power to another system.
3. State type of monthly peak reading (instantaneous (0), 15, 30, or 60 minutes integrated).
4. Monthly output should be the sum of respondent's net generation for load and purchases plus or minus net interchange and plus or minus net transmission or wheeling. Total for the year should agree with line 23 on page E-28.
5. If the utility has two or more power systems not physically connected, the information called for below should be furnished for each system.

| Month | | Monthly peak | | | | | Mo. output (KWH) (000's) (g) |
|-------------|----|---|-----------------------------------|---------------------------|--|---|---------------------------------------|
| | | KW (000's) (b) | Day of week (Mon. etc.) (c) | Date (Mo/Da/Yr) (d) | Time Beginning (Hour:Min) (e) | Type of reading (0,15,30,60) (f) | |
| | | | | | | | |
| (a) | | | | | | | |
| Jan | 1 | 82 | Tuesday | 1/21/03 | 7:15 AM | 15 Minute | 52,299 |
| Feb | 2 | 84 | Saturday | 2/08/03 | 6:15 PM | 15 Minute | 47,071 |
| Mar | 3 | 80 | Monday | 3/03/03 | 11:15 AM | 15 Minute | 48,333 |
| Apr | 4 | 78 | Monday | 4/07/03 | 10:45 AM | 15 Minute | 45,573 |
| May | 5 | 69 | Friday | 5/02/03 | 8:30 AM | 15 Minute | 41,028 |
| Jun | 6 | 74 | Monday | 6/09/03 | 11:00 AM | 15 Minute | 43,543 |
| Jul | 7 | 80 | Tuesday | 7/29/03 | 2:15 PM | 15 Minute | 47,586 |
| Aug | 8 | 83 | Thursday | 8/14/03 | 1:45 PM | 15 Minute | 48,941 |
| Sep | 9 | 84 | Thursday | 9/11/03 | 1:30 PM | 15 Minute | 48,160 |
| Oct | 10 | 85 | Monday | 10/27/03 | 10:15 AM | 15 Minute | 51,760 |
| Nov | 11 | 86 | Tuesday | 11/25/03 | 5:00 PM | 15 Minute | 50,808 |
| Dec | 12 | 90 | Wednesday | 12/10/03 | 5:45 PM | 15 Minute | 54,001 |
| Total | | | | | | | 579,103 |
| System Name | | Superior Water, Light and Power Company | | | | | |

ELECTRIC DISTRIBUTION LINES

1. If a utility has available the number of poles, but not miles of pole line, it will be considered satisfactory to determine miles of pole line by multiplying number of poles by average length of span, indicating in a footnote the average span used.
2. Urban distribution lines and rural distribution lines are to be reported separately for Wisconsin and for outside the state.
3. Urban distribution lines are defined as lines inside corporate limits of incorporated places, lines in urban areas adjacent to such corporate limits, and lines in unincorporated communities with urban characteristics. All pole lines used for urban distribution, including joint distribution and transmission, other joint distribution lines, and joint use of foreign lines are to be reported

| Particulars (a) | Miles of: | | |
|---|------------------|---------------------------------|-----------------|
| | Pole line (b) | U.G. conduit (subway) (d) | Buried cable |
| Lines in Wisconsin: | | | |
| Urban distribution lines--primary voltage | 141.40 | | 44.79 |
| Urban distribution lines--secondary voltage | 124.64 | | 1.55 |
| Rural distribution lines--primary voltage | | | |
| Rural distribution lines--secondary voltage | | | |
| Total in Wisconsin | 266.04 | 0.00 | 46.34 |
| Lines outside the state: | | | |
| Urban distribution lines--primary voltage | | | |
| Urban distribution lines--secondary voltage | | | |
| Rural distribution lines--primary voltage | | | |
| Rural distribution lines--secondary voltage | | | |
| Total outside the state | 0.00 | 0.00 | 0.00 |
| Total lines of utility | 266.04 | 0.00 | 46.34 |

May not cross-check due to rounding.

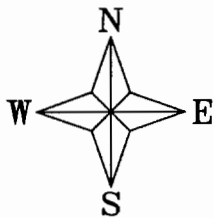
NAMES OF CITIES, VILLAGES, AND TOWNS

NUMBER OF CUSTOMERS IN EACH SUPPLIED DIRECTLY WITH ELECTRICITY BY REPORTING UTILITY AT END OF YEAR

Report in alphabetical order first, cities, and second, incorporated villages. Next, report towns in alphabetical order under each county, also listed in alphabetical order. Show total for each group and for total company.

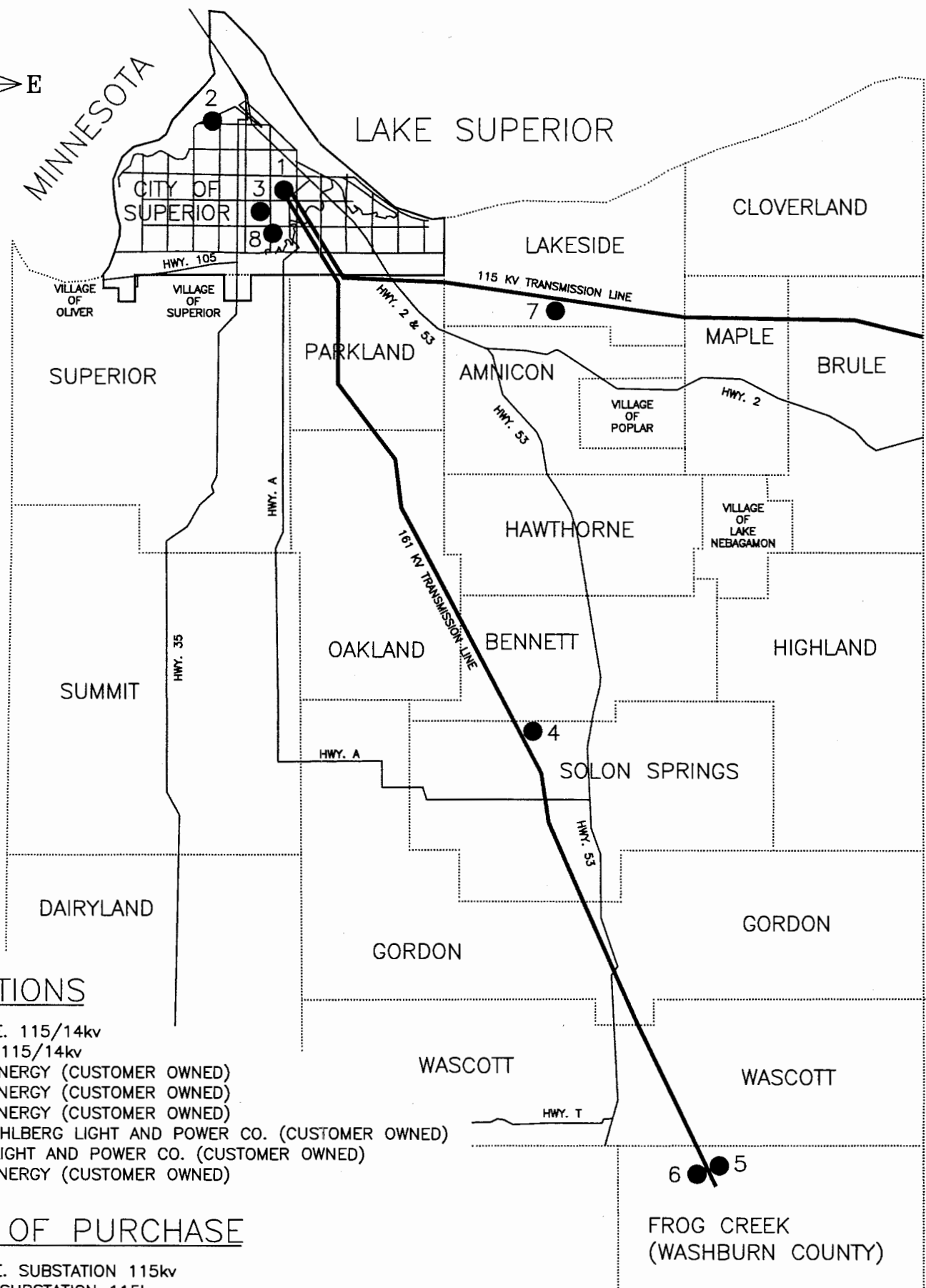
(CLASS A & B)

| Location | Customers end of year | Location | Customers end of year |
|--|--------------------------|----------|--------------------------|
| (a) | (b) | (a) | (b) |
| City of Superior 1/ | 13,821 | | |
| Village of Oliver | 194 | | |
| Village of Superior | 289 | | |
| Town of Parkland | 49 | | |
| Town of Superior | 30 | | |
| Total | 14,383 | | |
| 1/ Includes 18 Interdepartmental Customers | | | |



MINNESOTA

LAKE SUPERIOR



| | | | |
|----------|----------------|------|--------|
| DRAWN | MJM | DATE | 2-4-97 |
| SCALE | NOT TO SCALE | | |
| APPROVED | JERRY ANDERSON | | |

SUPERIOR WATER,
LIGHT & POWER
SUPERIOR, WISCONSIN

SUPERIOR WATER, LIGHT & POWER
ELECTRIC SERVICE TERRITORY
2002

| | |
|----------------|---------|
| DRAWING NUMBER | E-97-1 |
| SHEET | 1 OF 1 |
| REVISED | 2-27-02 |

NAMES OF CITIES, VILLAGES, AND TOWNS

| <div> <div>NUMBER OF CUSTOMERS IN EACH SUPPLIED DIRECTLY WITH GAS BY REPORTING UTILITY AT END OF YEAR</div> <div>Report in alphabetical order, by county, first, each city, second, each incorporated village, and third, each town in which the reporting utility has obtained Public Service Commission authorization to provide natural gas service and in which the reporting utility has in place natural gas facilities and has provided or is currently providing natural gas service. Indicate the number of customers served in each municipality at the end of the year and tabulate the number of customers served in each county. Tabulate the total number of customers served by the company.</div> <div>(CLASS A & B)</div> </div> | | | | 4 5 6 7 8 9 10 |
|---|--------------------------|----------|--------------------------|----------------------------------|
| Location | Customers end of year | Location | Customers end of year | 11 12 13 14 |
| (a) | (b) | (a) | (b) | |
| Douglas County | | | | 15 |
| City of Superior 1/ | 10,433 | | | 16 |
| Total Cities | 10,433 | | | 17 |
| Village of Lake Nebagamon | 404 | | | 18 |
| Village of Poplar | 81 | | | 19 |
| Village of Solon Springs | 128 | | | 20 |
| Village of Superior | 200 | | | 21 |
| Total Villages | 813 | | | 22 |
| Town of Amnicon | 19 | | | 23 |
| Town of Bennett | 38 | | | 24 |
| Town of Brule | 98 | | | 25 |
| Town of Hawthorne | 22 | | | 26 |
| Town of Highland | 2 | | | 27 |
| Town of Maple | 79 | | | 28 |
| Town of Parkland | 190 | | | 29 |
| Town of Solon Springs | 80 | | | 30 |
| Town of Superior | 96 | | | 31 |
| Total Towns | 624 | | | 32 |
| TOTAL DOUGLAS COUNTY | 11,870 | | | 33 |
| | | | | 34 |
| TOTAL COMPANY | 11,870 | | | 35 |
| | | | | 36 |
| 1/ Includes 4 Interdepartmental Customers | | | | 37 |
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GAS OPERATING EXPENSES

| Particulars (a) | Wisconsin Jurisdictional Operations (b) | Other Jurisdictional Operations (c) | Total Operations (d) |
|---|--|--|----------------------------|
| OPERATING EXPENSES | | | |
| Manufactured gas production expenses (700-742) | 7,694 | | 7,694 |
| Purchased gas expenses (804-813) | 13,145,470 | | 13,145,470 |
| Total production expenses | 13,153,164 | | 13,153,164 |
| Storage expenses (840-848.3) | | | |
| Transmission expenses (850-867) | | | |
| Distribution expenses (870-894) | 1,205,969 | | 1,205,969 |
| Customer accounts expenses (901-905) | 296,366 | | 296,366 |
| Customer service expenses (907-910) | 426,282 | | 426,282 |
| Sales promotion expenses (912-916) | 6,690 | | 6,690 |
| Administrative and general expenses (920-935) | 1,503,383 | | 1,503,383 |
| Total operation and maintenance | 16,591,854 | | 16,591,854 |
| Depreciation expense (403) | 658,698 | | 658,698 |
| Amortization limited-term utility investment (404) | | | |
| Amortization of other utility plant (405) | | | |
| Amortization utility plant acquisition adjustment (406) | 2,611 | | 2,611 |
| Amortization of property losses (407.1) | | | |
| Amortization of conversion expenses (407.2) | | | |
| Taxes other than income taxes (408.1) | 294,795 | | 294,795 |
| Income taxes (409.1) | 66,544 | | 66,544 |
| Provision for deferred income taxes (410.1) | 176,542 | | 176,542 |
| Investment tax credits, net (411.4) | (4,015) | | (4,015) |
| Total operating expenses | 17,787,029 | | 17,787,029 |

May not cross-check due to rounding.

OPERATING REVENUES FROM NATURAL GAS UTILITY

| 1. Report data by rate schedule (including unbilled revenues and therms), classified between space heating and non-space heating customers. Customer counts are based on the average number of meters in service - using 12 month end figures. Where meters are combined for billing purposes, each combined group of meters counts as one customer. | | | |
|--|--------------------------------------|---------------|-----------------------------|
| 2. For industrial interruptible sales, report data by priority of interruption. | | | |
| 3. Report all data for transportation customers even if they are already included in Accounts 480-484. Classify these by rate schedule in the same detail as reported in Accounts 480-484. | | | |
| 4. For the remaining other operating revenues, report details of major items and then group the remaining items in each account. Report the name of lessee and description of property for major items of rent revenue. | | | |
| Rate Schedule (a) | Wisconsin Geographical Operations | | |
| | Revenues (b) | Therms (c) | Average Customers (d) |
| Sales of Gas Revenues | | | |
| Residential (480) | | | |
| Non-space heating | \$ 494,405 | 462,285 | 1,391 |
| Space heating | 9,509,088 | 10,189,937 | 9,308 |
| Other | | | |
| Total Account 480 | 10,003,493 | 10,652,222 | 10,699 |
| Commercial and Industrial (481) | | | |
| Commercial - Non-space heating | \$ 1,052,797 | 1,454,307 | 111 |
| Commercial - Space heating | 3,618,476 | 4,378,106 | 983 |
| Commercial - Interruptible | 995,369 | 1,541,536 | 11 |
| Industrial - Space heating | 369,103 | 442,226 | 40 |
| Industrial - Non-space heating | 1,025,240 | 1,294,277 | 21 |
| Industrial - Interruptible | 1,303,755 | 2,019,136 | 9 |
| Total Account 481 | 8,364,740 | 11,129,588 | 1,175 |
| Sales for Resale (483) | | | |
| Interdepartmental (484) | | | |
| Firm | \$ 44,830 | 55,358 | 4 |
| Interruptible | | | |
| Other | | | |
| Total Account 484 | 44,830 | 55,358 | 4 |
| Total Sales of Gas | 18,413,063 | 21,837,168 | 11,878 |
| Other Operating Revenues | | | |
| Transportation (489) | | | |
| Commercial - Non-space heating | | | |
| Industrial - Non-space heating | | | |
| Other | | | |
| Total Account 489 | - | - | - |
| Total Throughput | 18,413,063 | 21,837,168 | |
| Forfeited Discounts (487) | \$ 66,689 | | |
| Miscellaneous Service Revenues (488) | | | |
| Connection and Reconnection Charges | \$ 11,436 | | |
| Total Account 488 | 11,436 | | |
| Rent from Property (493) | | | |
| Total Account 493 | - | | |
| Other Gas Revenues (495) | | | |
| Sales Tax Discount | \$ 2,806 | | |
| Fiber Optic Lease | \$ 2,940 | | |
| Other | \$ 20,902 | | |
| Total Account 495 | 26,648 | | |
| Penalty Revenues (497) | | | |
| Utility Incentive Revenues (498) | \$ 54,121 | | |
| Total Other Operating Revenues | 158,894 | | |
| Total Wisconsin Operating Revenues | 18,571,957 | 21,837,168 | 11,878 |

May not cross-check due to rounding

GAS OPERATION AND MAINTENANCE EXPENSES

| Particulars (a) | Total Amount (b) | Labor Expense (c) | Other Expense (d) |
|---|------------------------|-------------------------|-------------------------|
| MANUFACTURED GAS PRODUCTION EXPENSES | | | |
| (List applicable prescribed accounts) | | | |
| Operation - Superv & Eng (710) | | | |
| Operation - Liquefied Petroleum (717) | | | |
| Operation - Liquefied Petroleum Gas (728) | | | |
| Operation Misc Prod Expense (735) | 7,694 | 7,680 | 14 |
| Maint - Superv & Eng (740) | | | |
| Maint - Structures and Improvements (741) | | | |
| Maint - Prod Equip (742) | | | |
| Total manufactured gas production expenses | \$7,694 | \$7,680 | \$14 |

May not cross-check due to rounding

GAS OPERATION AND MAINTENANCE EXPENSES (Cont.)

| Particulars (a) | Total Amount (b) | Labor Expense (c) | Other Expense (d) |
|---|------------------------|-------------------------|-------------------------|
| PURCHASED GAS EXPENSES | | | |
| Natural gas city gate purchases (804) | 13,145,373 | 114,030 | 13,031,343 |
| Other gas purchases (805) | | | |
| Purchased gas expenses (807) | | | |
| Gas withdrawn from stor.--Debit (808.1) | | | |
| Gas delivered to stor.--Credit (808.2) | | | |
| Gas used for other ut. op.--Cr. (812) | | | |
| Other gas supply expenses (813) | 97 | | 97 |
| Total purchased gas expenses | \$13,145,470 | \$114,030 | \$13,031,440 |
| STORAGE EXPENSES | | | |
| Operation supervision and eng. (840) | | | |
| Operation labor and expenses (841) | | | |
| Rents (842) | | | |
| Fuel (842.1) | | | |
| Power (842.2) | | | |
| Gas losses (842.3) | | | |
| Maint. supervision and eng. (843.1) | | | |
| Maint. of struct. & improv. (843.2) | | | |
| Maintenance of gas holders (843.3) | | | |
| Maint. of purification equip. (843.4) | | | |
| Maint. of liquefaction equip. (843.5) | | | |
| Maint. of vapor. equip. & other (843.6-843.9) | | | |
| Total storage expenses | | | |
| TRANSMISSION EXPENSES | | | |
| Operation supervision and eng. (850) | | | |
| Sys. control & load dispatching (851) | | | |
| Communications system expenses (852) | | | |
| Compressor stat. labor & expen. (853) | | | |
| Gas for compressor station fuel (854) | | | |
| Other fuel & power for com. sta. (855) | | | |
| Mains expenses (856) | | | |
| Measuring & reg. stat. expenses (857) | | | |
| Trans. & comp. of gas by others (858) | | | |
| Other expenses (859) | | | |
| Rents (860) | | | |
| Maint. supervision & engineer. (861) | | | |
| Maint. of struct. & improv. (862) | | | |
| Maintenance of mains (863) | | | |
| Maint. of compr. stat. equip. (864) | | | |
| Maint. of meas. & reg. st. eq. (865) | | | |
| Maint. of communication equip. (866) | | | |
| Maintenance of other equipment (867) | | | |
| Total transmission expenses | | | |
| DISTRIBUTION EXPENSES | | | |
| Operation supervision & engin. (870) | 185,158 | 171,698 | 13,460 |
| Distribution load dispatching (871) | 52,702 | 52,702 | 0 |
| Compressor stat. labor & expen. (872) | | | |
| Compressor station fuel & power (873) | | | |
| Mains and services expenses (874) | 65,214 | 64,321 | 893 |
| Meas. & reg. stat. expen.--Gen. (875) | | | |
| Meas. & reg. stat. expen.--Ind. (876) | | | |
| Subtotal--dist. exp.--carried forward | \$303,074 | \$288,721 | \$14,353 |

May not cross-check due to rounding

DETAIL OF NATURAL GAS CITY GATE PURCHASES, ACCOUNT 804

| Particulars (a) | Total Amount (b) | Labor Expense (c) | Other Expense (d) | |
|--|------------------------|-------------------------|-------------------------|-----------|
| PURCHASED GAS EXPENSES | | | | 7 |
| Wages and Salaries (804.11) | 114,030 | 114,030 | - | 8 |
| Supplies and Expenses (804.12) | 12,060 | - | 12,060 | 9 |
| Miscellaneous Purchased Gas Expenses (804.13) | - | - | - | 10 |
| Gas Contract Reservation Fees (804.21) | 995,056 | - | 995,056 | 11 |
| Gas Contract Commodity Costs (804.22) | 9,540,972 | - | 9,540,972 | 12 |
| Spot Gas Commodity Costs (804.23) | 2,702,449 | - | 2,702,449 | 13 |
| Other Gas Purchases (804.24) | (362,805) | - | (362,805) | 14 |
| Gas Surcharges (804.25) | 7,134 | - | 7,134 | 15 |
| Financial Instruments Expenses (804.26) | - | - | - | 16 |
| Gas Purchase Miscellaneous Expenses (804.27) | - | - | - | 17 |
| Gas Costs for Opportunity Sales (804.28) | - | - | - | 18 |
| Purchased Gas Sold - Credit (804.32) | - | - | - | 19 |
| Gas Commodity Costs Transferred to Storage - Credit (804.33) | 1,318,798 | - | 1,318,798 | 20 |
| Gas Used in Utility Operations - Credit (804.34) | - | - | - | 21 |
| Gas Used for Transmission Pumping and Compression - Credit (804.35) | - | - | - | 22 |
| Total Purchased Gas Expenses | 11,690,098 | 114,030 | 11,576,068 | 23 |
| TRANSMISSION EXPENSES | | | | 24 |
| Transmission Contract Reservation Fees (804.41) | 203,843 | - | 203,843 | 25 |
| Commodity Transmission Fees (804.42) | 77,962 | - | 77,962 | 26 |
| Gas Transmission Surcharges (804.43) | 11,271 | - | 11,271 | 27 |
| Gas Transmission Fuel Expenses (804.44) | - | - | - | 28 |
| No-Notice Service Expenses (804.45) | 2,061 | - | 2,061 | 29 |
| Other Transmission Fees and Expenses (804.46) | - | - | - | 30 |
| Miscellaneous Transmission Expenses (804.48) | - | - | - | 31 |
| Penalties, Unauthorized Use and Overrun, Utility (804.49) | - | - | - | 32 |
| Penalties, Unauthorized Use and Overrun, End-User (804.51) | - | - | - | 33 |
| Transmission Services Sold - Credit (804.52) | - | - | - | 34 |
| Gas Transmission Expenses Transferred to Storage - Credit (804.53) | - | - | - | 35 |
| Gas Transmission Expenses Used in Utility Operations - Credit (804.54) | - | - | - | 36 |
| Gas Transmission Costs for Opportunity Sales (804.55) | - | - | - | 37 |
| Total Transmission Expenses | 295,137 | - | 295,137 | 38 |
| STORAGE EXPENSES | | | | 39 |
| Storage Reservation Fees (804.61) | 154,099 | - | 154,099 | 40 |
| Stored Gas Costs for System Use (804.62) | 1,006,040 | - | 1,006,040 | 41 |
| Stored Penalties (804.63) | - | - | - | 42 |
| Stored Gas Costs for Opportunity Sales (804.64) | - | - | - | 43 |
| Storage Capacity Released or Sold - Credit (804.72) | - | - | - | 44 |
| Storage Capacity Released or Sold - Credit (804.73) | - | - | - | 45 |
| Stored Gas Sold - Credit (804.74) | - | - | - | 46 |
| Total Storage Expenses | 1,160,139 | - | 1,160,139 | 47 |
| Total Expenses - Account 804 | 13,145,373 | 114,030 | 13,031,343 | 48 |

GAS OPERATION AND MAINTENANCE EXPENSES (Cont.)

| Particulars (a) | Total Amount (b) | Labor Expense (c) | Other Expense (d) | |
|--|------------------------|-------------------------|-------------------------|--|
| dist. exp. (Amount brought forward) | \$303,074 | \$288,721 | \$14,353 | |
| Meas. & reg. sta. ex.-City gate (877) | | | | |
| Meter & house regulator expenses (878) | 60,134 | 46,830 | 13,304 | |
| Customer installations expenses (879) | | | | |
| Other expenses (880) | 417,985 | 283,989 | 133,996 | |
| Rents (881) | | | | |
| Maint. supervision & eng. (885) | | | | |
| Maint. of struct. & improv. (886) | | | | |
| Maintenance of mains (887) | 83,964 | 32,110 | 51,854 | |
| Maint. of compres. stat. equip. (888) | | | | |
| Maint. of meas. & reg. st. eq.-Gen. (889) | | | | |
| Maint. of meas. & reg. st. eq.-In. (890) | | | | |
| Maint. of meas. & reg. st. eq.-City (891) | | | | |
| Maintenance of services (892) | 281,031 | 183,953 | 97,078 | |
| Maint. of meters and house reg. (893) | 59,781 | 33,704 | 26,077 | |
| Maintenance of other equipment (894) | | | | |
| Total distribution expenses | \$1,205,969 | \$869,307 | \$336,662 | |
| CUSTOMER ACCOUNTS EXPENSES | | | | |
| Supervision (901) | 8,432 | 8,432 | 0 | |
| Meter reading expenses (902) | 79,764 | 64,560 | 15,204 | |
| Customer records & collect. exp. (903) | 116,373 | 75,890 | 40,483 | |
| Uncollectible accounts (904) | 84,000 | 0 | 84,000 | |
| Miscell. customer accts. expen. (905) | 7,797 | 7,797 | 0 | |
| Total customer accts. expenses | \$296,366 | \$156,679 | \$139,687 | |
| CUSTOMER SERVICE EXPENSES | | | | |
| Supervision (907) | | | | |
| Customer assistance expenses (908) | 102,667 | 74,548 | 28,119 | |
| Informational advertising expenses (909) | 8,534 | 0 | 8,534 | |
| Miscell. customer accts. expen. (910) | 315,081 | 0 | 315,081 | |
| Total customer service expenses | \$426,282 | \$74,548 | \$351,734 | |
| SALES PROMOTION EXPENSES | | | | |
| Supervision (911) | | | | |
| Demonstrating & selling expenses (912) | | | | |
| Advertising expenses (913) | 6,690 | 0 | 6,690 | |
| Miscell. sales expenses (916) | | | | |
| Total sales promotion expenses | \$6,690 | \$0 | \$6,690 | |
| ADMINISTRATIVE AND GENERAL EXPENSES | | | | |
| Administrative and general salaries (920) | 478,797 | 478,797 | | |
| Office supplies and expenses (921) | 63,038 | | 63,038 | |
| Admin. expenses transferred--(cr.) (922) | (61,864) | | (61,864) | |
| Outside services employed (923) | 309,751 | | 309,751 | |
| Property insurance (924) | 14,030 | | 14,030 | |
| Injuries and damages (925) | 126,270 | | 126,270 | |
| Employee pensions and benefits (926) | 531,545 | | 531,545 | |
| Regulatory commission expenses (928) | 20,300 | 6,922 | 13,378 | |
| Duplicate charges--cr. (929) | | | | |
| Instit. or goodwill advert. (930.1) | 12,300 | | 12,300 | |
| Miscellaneous general expense (930.2) | 9,216 | | 9,216 | |
| Research & Development (930.3) | | | | |
| Rents (931) | | | | |
| Maintenance of general plant (935) | | | | |
| Total administ. & gen. expenses | \$1,503,383 | \$485,719 | \$1,017,664 | |
| Total gas operat. & maint. expenses | \$16,591,854 | \$1,707,963 | \$14,883,891 | |

May not cross-check due to rounding

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|--|---|--------------------------------|---------------------------------|
| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) | Year of Report Dec. 31, 2003 |
|--|---|--------------------------------|---------------------------------|

GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106)

1. Report below the original cost of gas plant in service according to the prescribed accounts.
2. In addition to Account 101, Gas Plant in Service (Classified), this page and the next include Account 102, Gas Plant Purchased or Sold; Account 103, Experimental Gas Plant Unclassified; and Account 106, Completed Construction Not Classified-Gas.
3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
4. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.
5. Classify Account 106 according to prescribed accounts,

on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions or prior year of unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d), including the reversals.

| Line No. | Account (a) | Balance at Beginning of Year (b) | Additions (c) |
|----------|--|--|------------------|
| 1 | 1. Intangible Plant | | |
| 2 | 301 Organization | 625 | |
| 3 | 302 Franchises and Consents | | |
| 4 | 303 Miscellaneous Intangible Plant | 12,704 | |
| 5 | TOTAL Intangible Plant | 13,329 | |
| 6 | 2. Manufactured Gas Production Plant | | |
| 7 | 304 Land and Land Rights | | |
| 8 | 305 Structures and Improvements | | |
| 9 | 306 Boiler Plant Equipment | | |
| 10 | 307 Other Power Equipment | | |
| 11 | 308 Coke Ovens | | |
| 12 | 309 Producer Gas Equipment | | |
| 13 | 310 Water Gas Generating Equipment | | |
| 14 | 311 Liquefied Petroleum Gas Equipment | | |
| 15 | 312 Oil Gas Generating Equipment | | |
| 16 | 313 Generating Equipment - Other Processes | | |
| 17 | 314 Coal, Coke and Ash Handling Equipment | | |
| 18 | 315 Catalytic Cracking Equipment | | |
| 19 | 316 Other Reforming Equipment | | |
| 20 | 317 Purification Equipment | | |
| 21 | 318 Residual Refining Equipment | | |
| 22 | 319 Gas Mixing Equipment | | |
| 23 | 320 Other Equipment | | |
| 24 | TOTAL Manufactured Gas Production Plant | | |
| 25 | 3. Other Storage Plant | | |
| 26 | 360 Land and Land Rights | | |
| 27 | 361 Structures and Improvements | | |
| 28 | 362 Gas Holders | | |
| 29 | 363 Purification Equipment | | |
| 30 | 363.1 Liquefaction Equipment | | |
| 31 | 363.2 Vaporizing Equipment | | |
| 32 | 363.3 Compressor Equipment | | |
| 33 | 363.4 Meas. and Reg. Equipment | | |
| 34 | 363.5 Other Equipment | | |
| 35 | TOTAL Other Storage Plant | | |
| | | | |

| | | | | | |
|---|---|--------------------------------|---|-------|-------------|
| Name of Respondent Superior Water, Light and Power Company | This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) | Year of Report Dec. 31, 2003 | | |
| GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106) | | | | | |
| <p>of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.</p> <p>6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in</p> | | | <p>column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.</p> <p>7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.</p> <p>8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date of such filing.</p> | | |
| Retirements (d) | Adjustments (e) | Transfers (f) | Balance at End of Year (g) | | Line No. |
| | | | 625 | 301 | 1 |
| | | | | 302 | 2 |
| | | | 12,704 | 303 | 3 |
| | | | | | 4 |
| | | | 13,329 | | 5 |
| | | | | 304 | 6 |
| | | | | 305 | 7 |
| | | | | 306 | 8 |
| | | | | 307 | 9 |
| | | | | 308 | 10 |
| | | | | 309 | 11 |
| | | | | 310 | 12 |
| | | | | 311 | 13 |
| | | | | 312 | 14 |
| | | | | 313 | 15 |
| | | | | 314 | 16 |
| | | | | 315 | 17 |
| | | | | 316 | 18 |
| | | | | 317 | 19 |
| | | | | 318 | 20 |
| | | | | 319 | 21 |
| | | | | 320 | 22 |
| | | | | | 23 |
| | | | | | 24 |
| | | | | 360 | 25 |
| | | | | 361 | 26 |
| | | | | 362 | 27 |
| | | | | 363 | 28 |
| | | | | 363.1 | 29 |
| | | | | 363.2 | 30 |
| | | | | 363.3 | 31 |
| | | | | 363.4 | 32 |
| | | | | 363.5 | 33 |
| | | | | | 34 |
| | | | | | 35 |

| Name of Respondent Superior Water, Light and Power Company | | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) | Year of Report Dec. 31, 2003 |
|--|--|---|--------------------------------|---------------------------------|
| GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued) | | | | |
| Line No. | Account (a) | Balance at Beginning of Year (b) | Additions (c) | |
| 36 | 4. Transmission Plant | | | |
| 37 | 365.1 Land and Land Rights | | | |
| 38 | 365.2 Rights-of-Way | | | |
| 39 | 366 Structures and Improvements | | | |
| 40 | 367 Mains | 483,234 | (24,905) | |
| 41 | 368 Compressor Station Equipment | | | |
| 42 | 369 Measuring and Reg. Sta. Equipment | 258,834 | (6,227) | |
| 43 | 370 Communication Equipment | 7,059 | (170) | |
| 44 | 371 Other Equipment | | | |
| 45 | TOTAL Transmission Plant | 749,127 | (31,302) | |
| 46 | 5. Distribution Plant | | | |
| 47 | 374 Land and Land Rights | 2,955 | | |
| 48 | 375 Structures and Improvements | 8,608 | 30,429 | |
| 49 | 376 Mains | 8,845,954 | 191,578 | |
| 50 | 377 Compressor Station Equipment | | | |
| 51 | 378 Meas. and Reg. Sta. Equip.-General | 374,394 | 113,073 | |
| 52 | 379 Meas. and Reg. Sta. Equip.-City Gate | 194,280 | (2,051) | |
| 53 | 380 Services | 4,287,798 | 134,841 | |
| 54 | 381 Meters | 1,539,805 | 71,766 | |
| 55 | 382 Meter Installations | | | |
| 56 | 383 House Regulators | 841,961 | 78,393 | 1/ |
| 57 | 384 House Reg. Installations | | | |
| 58 | 385 Industrial Meas. and Reg. Sta. Equipment | 138,763 | | |
| 59 | 386 Other Prop. on Customers' Premises | | | |
| 60 | 387 Other Equipment | | | |
| 61 | TOTAL Distribution Plant | 16,234,518 | 618,029 | |
| 62 | 6. General Plant | | | |
| 67 | 389 Land and Land Rights | 1,281 | | |
| 68 | 390 Structures and Improvements | | | |
| 69 | 391 Office Furniture and Equipment | 17,615 | | |
| 70 | 392 Transportation Equipment | | | |
| 71 | 393 Stores Equipment | | | |
| 72 | 394 Tools, Shop, and Garage Equipment | 91,315 | 20,606 | |
| 73 | 395 Laboratory Equipment | 147,760 | 1,498 | |
| 74 | 396 Power Operated Equipment | | | |
| 75 | 397 Communication Equipment | | 30,339 | |
| 76 | 398 Miscellaneous Equipment | | | |
| 76 | Subtotal | 257,971 | 52,443 | |
| 77 | 399 Other Tangible Property | | | |
| 78 | TOTAL General Plant | 257,971 | 52,443 | |
| 79 | TOTAL (Accounts 101 and 106) | 17,254,945 | 639,170 | |
| 80 | Gas Plant Purchased (See Instr. 8) | | | |
| 81 | (Less) Gas Plant Sold (See Instr. 8) | | | |
| 82 | Experimental Gas Plant Unclassified | | | |
| 83 | TOTAL Gas Plant in Service | 17,254,945 | 639,170 | |
| | | | | |

| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) | Year of Report Dec. 31, 2003 | | |
|--|---|--------------------------------|----------------------------------|-------|-------------|
| GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued) | | | | | |
| Retirements (d) | Adjustments (e) | Transfers (f) | Balance at End of Year (g) | | Line No. |
| | | | | 365.1 | 36 |
| | | | | 365.2 | 37 |
| | | | | 366 | 38 |
| | | | 458,329 | 367 | 39 |
| | | | | 368 | 40 |
| | | | 252,607 | 369 | 41 |
| | | | 6,889 | 370 | 42 |
| | | | | 371 | 43 |
| | | | 717,825 | | 44 |
| | | | | | 45 |
| | | | 2,955 | 374 | 46 |
| 104,247 | | | 39,037 | 375 | 47 |
| | | | 8,933,285 | 376 | 48 |
| | | | | 377 | 49 |
| 1,996 | | | 485,471 | 378 | 50 |
| | | | 192,229 | 379 | 51 |
| 10,558 | | | 4,412,081 | 380 | 52 |
| 20,444 | | | 1,591,127 | 381 | 53 |
| | | | | 382 | 54 |
| 7,305 | | | 913,049 | 383 | 55 |
| | | | | 384 | 56 |
| | | | 138,763 | 385 | 57 |
| | | | | 386 | 58 |
| | | | | 387 | 59 |
| 144,550 | 0 | 0 | 16,707,997 | | 60 |
| | (1) | | 1,280 | 389 | 61 |
| | | | 17,615 | 390 | 62 |
| | | | | 391 | 67 |
| | | | | 392 | 68 |
| | | | | 393 | 69 |
| | | | 111,921 | 394 | 70 |
| | | | 149,258 | 395 | 71 |
| | | | | 396 | 72 |
| | | | 30,339 | 397 | 73 |
| | | | | 398 | 74 |
| 0 | (1) | 0 | 310,413 | | 75 |
| | | | | 399 | 76 |
| 0 | (1) | 0 | 310,413 | | 77 |
| 144,550 | (1) | 0 | 17,749,564 | | 78 |
| | | | | | 79 |
| | | | | | 80 |
| | | | | | 81 |
| | | | | | 82 |
| 144,550 | (1) | 0 | 17,749,564 | | 83 |
| | | | | | |

| Name of Respondent Superior Water, Light and Power Company | | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | | Date of Report (Mo, Da, Yr) | | Year of Report Dec. 31, 2003 | |
|--|--|---|---------------------------------------|--------------------------------|------------------------------|--------------------------------------|--|
| ACCUM. PROVISION FOR DEPREC OF GAS PLANT IN SERVICE (108) | | | | | | | |
| Line No. | Account (a) | Balance first of Year (b) | S.L. Depr Rate % used (c) | Accruals during year | | Book cost of plant retired (f) | |
| | | | | Straight line amount (d) | Other depreciation (e) | | |
| 1 | | | | | | | |
| 2 | | | | | | | |
| 3 | | | | | | | |
| 4 | 303 Miscellaneous Intangible Plant | 212 | 25.00 | 1,058 | | | |
| 5 | | | | | | | |
| 6 | TOTAL Intangible Plant | 212 | | 1,058 | 0 | 0 | |
| 7 | | | | | | | |
| 8 | 2. Manufactured Gas Production Plant | | | | | | |
| 9 | | | | | | | |
| 10 | 305 Structures and Improvements | | | | | | |
| 11 | 306 Boiler Plant Equipment | | | | | | |
| 12 | 307 Other Power Equipment | | | | | | |
| 13 | 308 Coke Ovens | | | | | | |
| 14 | 309 Producer Gas Equipment | | | | | | |
| 15 | 310 Water Gas Generating Equipment | | | | | | |
| 16 | 311 Liquefied Petroleum Gas Equipment | | | | | | |
| 17 | 312 Oil Gas Generating Equipment | | | | | | |
| 18 | 313 Generating Equipment - Other Processes | | | | | | |
| 19 | 314 Coal, Coke and Ash Handling Equipment | | | | | | |
| 20 | 315 Catalytic Cracking Equipment | | | | | | |
| 21 | 316 Other Reforming Equipment | | | | | | |
| 22 | 317 Purification Equipment | | | | | | |
| 23 | 318 Residual Refining Equipment | | | | | | |
| 24 | 319 Gas Mixing Equipment | | | | | | |
| 25 | 320 Other Equipment | | | | | | |
| 26 | | | | | | | |
| 27 | TOTAL Manufactured Gas Production Plant | 0 | | 0 | 0 | 0 | |
| 28 | | | | | | | |
| 29 | 3. Other Storage Plant | | | | | | |
| 30 | | | | | | | |
| 31 | 361 Structures and Improvements | | | | | | |
| 32 | 362 Gas Holders | | | | | | |
| 33 | 363 Purification Equipment | | | | | | |
| 34 | 363.1 Liquefaction Equipment | | | | | | |
| 35 | 363.2 Vaporizing Equipment | | | | | | |
| 36 | 363.3 Compressor Equipment | | | | | | |
| 37 | 363.4 Meas. and Reg. Equipment | | | | | | |
| 38 | 363.5 Other Equipment | | | | | | |
| 39 | | | | | | | |
| 40 | TOTAL Other Storage Plant | | | | | | |
| 41 | | | | | | | |
| 42 | 4. Transmission Plant | | | | | | |
| 43 | | | | | | | |
| 44 | | | | | | | |
| 45 | 366 Structures and Improvements | | | | | | |
| 46 | 367 Mains | 13,002 | 2.74 | 5,336 | | | |
| 47 | 368 Compressor Station Equipment | | | | | | |
| 48 | 369 Measuring and Reg. Sta. Equipment | 6,228 | 5.25 | 13,425 | | | |
| 49 | 370 Communication Equipment | 270 | 8.33 | 581 | | | |
| 50 | 371 Other Equipment | | | | | | |
| 51 | | | | | | | |
| 52 | TOTAL Transmission Plant | 19,500 | | 19,342 | 0 | 0 | |
| | | | | | | | |

| | | | | | | | |
|--|----------------|---|-------------------------------|--------------------------------|---|---------------------------------|-------------|
| Name of Respondent Superior Water, Light and Power Company | | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | | Date of Report (Mo, Da, Yr) | | Year of Report Dec. 31, 2003 | |
| ACCUM. PROVISION FOR DEPREC OF GAS PLANT IN SERVICE (108) | | | | | | | |
| Cost of Removal (g) | Salvage (h) | Other additions (deductions) (i) | Balance end of Year (j) | | (k) | (l) | Line No. |
| | | | 1,270 | | Total deprec. exp. (cols. (d) and (e)) | 627,026 | 1 |
| | | | | | Less amounts for General Plant | | 2 |
| | | | | | Salvage - allocated amounts | 0 | 3 |
| | | | | | Less amortization of pre-1990 | | 4 |
| | | | | | Contrib in Aid of Constr | 19,164 | 5 |
| 0 | 0 | 0 | 1,270 | | | | 6 |
| | | | | | | | 7 |
| | | | | | Plus allocation of deprec. on common plant | 50,836 | 8 |
| | | | | 305 | Plus adjustment from general plant | 0 | 9 |
| | | | | 306 | Total gas depr. expense | 658,698 | 10 |
| | | | | 307 | | | 11 |
| | | | | 308 | Total balance (col (j)) | 8,316,967 | 12 |
| | | | | 309 | | | 13 |
| | | | | 310 | Plus pre-1990 Contributions | | 14 |
| | | | | 311 | in Aid of Construction balance | 38,404 | 15 |
| | | | | 312 | | | 16 |
| | | | | 313 | | | 17 |
| | | | | 314 | Plus allocation of reserve on common plant | 1,049,949 | 18 |
| | | | | 315 | | | 19 |
| | | | | 316 | | | 20 |
| | | | | 317 | Total depr. res. for gas util. | 9,405,320 | 21 |
| | | | | 318 | | | 22 |
| | | | | 319 | Explanation of items in col. (i) | | 23 |
| | | | | 320 | | | 24 |
| 0 | 0 | 0 | 0 | | | | 25 |
| | | | | | | | 26 |
| | | | | | | | 27 |
| | | | | | | | 28 |
| | | | | | | | 29 |
| | | | | 361 | | | 30 |
| | | | | 362 | | | 31 |
| | | | | 363 | | | 32 |
| | | | | 363 | | | 33 |
| | | | | 363 | | | 34 |
| | | | | 363 | | | 35 |
| | | | | 363 | | | 36 |
| | | | | 363 | | | 37 |
| | | | | 364 | | | 38 |
| | | | | | | | 39 |
| | | | | | | | 40 |
| | | | | | | | 41 |
| | | | | | | | 42 |
| | | | | 366 | | | 43 |
| | | | 18,338 | 367 | | | 44 |
| | | | | 368 | | | 45 |
| | | | 19,653 | 369 | | | 46 |
| | | | 851 | 370 | | | 47 |
| | | | | 371 | | | 48 |
| 0 | 0 | 0 | 38,842 | | | | 49 |
| | | | | | | | 50 |
| | | | | | | | 51 |
| | | | | | | | 52 |

| Name of Respondent Superior Water, Light and Power Company | | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | | Date of Report (Mo, Da, Yr) | | Year of Report Dec. 31, 2003 | |
|--|--|---|---------------------------------------|--------------------------------|------------------------------|--------------------------------------|--|
| ACCUM. PROVISION FOR DEPREC OF GAS PLANT IN SERVICE (cont.) | | | | | | | |
| Line No. | Account (a) | Balance first of Year (b) | S.L. Depr Rate % used (c) | Accruals during year | | Book cost of plant retired (f) | |
| | | | | Straight line amount (d) | Other depreciation (e) | | |
| 53 | 5. Distribution Plant | | | | | | |
| 54 | | | | | | | |
| 55 | 375 Structures and Improvements | 3,351 | 1.67 | 398 | | 0 | |
| 56 | 376 Mains | 3,871,096 | 2.74 | 243,513 | | 104,247 | |
| 57 | 377 Compressor Station Equipment | | | | | 0 | |
| 58 | 378 Meas. and Reg. Sta. Equip.-General | 202,115 | 5.25 | 22,571 | | 1,996 | |
| 59 | 379 Meas. and Reg. Sta. Equip.-City Gate | 52,229 | 5.00 | 9,663 | | 0 | |
| 60 | 380 Services | 2,539,693 | 4.71 | 205,031 | | 10,558 | |
| 61 | 381 Meters | 672,392 | 5.00 | 78,240 | | 20,444 | |
| 62 | 382 Meter Installations | | | | | 0 | |
| 63 | 383 House Regulators | 323,657 | 3.33 | 30,120 | | 7,305 | |
| 64 | 384 House Reg. Installations | | | | | 0 | |
| 65 | 385 Industrial Meas. and Reg. Sta. Equipment | 54,500 | 3.03 | 4,205 | | 0 | |
| 66 | 386 Other Prop. on Customers' Premises | | | | | 0 | |
| 67 | 387 Other Equipment | | | | | | |
| 68 | | | | | | | |
| 69 | TOTAL Distribution Plant | 7,719,033 | | 593,741 | 0 | 144,550 | |
| 70 | | | | | | | |
| 71 | 6. General Plant | | | | | | |
| 72 | | | | | | | |
| 73 | 390 Structures and Improvements | | | | | 0 | |
| 74 | 391 Office Furniture and Equipment | 9,690 | 5.00 | 881 | | 0 | |
| 75 | 391.2 Computer Equipment | 0 | | | | 0 | |
| 76 | 393 Stores Equipment | | | | | 0 | |
| 77 | 394 Tools, Shop, and Garage Equipment | 20,044 | 4.00 | 4,065 | | 0 | |
| 78 | 395 Laboratory Equipment | 82,129 | 4.00 | 5,940 | | 0 | |
| 79 | 396 Power Operated Equipment | | | | | 0 | |
| 80 | 397 Communication Equipment | | | 1,999 | | | |
| 81 | 398 Miscellaneous Equipment | | | | | | |
| 82 | | | | | | | |
| 83 | Subtotal | 111,863 | | 12,885 | 0 | 0 | |
| 84 | | | | | | | |
| 85 | 399 Other Tangible Property | | | | | | |
| 86 | | | | | | | |
| 87 | TOTAL General Plant | 111,863 | | 12,885 | 0 | 0 | |
| 88 | | | | | | | |
| 89 | TOTAL (Accounts 101 and 106) | 7,850,608 | | 627,026 | 0 | 144,550 | |
| 90 | | | | | | | |
| 91 | Gas Plant Purchased (See Instr. 8) | | | | | | |
| 92 | | | | | | | |
| 93 | (Less) Gas Plant Sold (See Instr. 8) | | | | | | |
| 94 | | | | | | | |
| 95 | Experimental Gas Plant Unclassified | | | | | | |
| 96 | | | | | | | |
| 97 | TOTAL Gas Plant in Service | 7,850,608 | | 627,026 | 0 | 144,550 | |
| | | | | | | | |

| | | | | | | | |
|--|----------------|---|-------------------------------|--------------------------------|--|---------------------------------|-------------|
| Name of Respondent Superior Water, Light and Power Company | | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | | Date of Report (Mo, Da, Yr) | | Year of Report Dec. 31, 2003 | |
| ACCUM. PROVISION FOR DEPREC OF GAS PLANT IN SERVICE (cont.) | | | | | | | |
| Cost of Removal (g) | Salvage (h) | Other additions (deductions) (i) | Balance end of Year (j) | | (k) | (l) | Line No. |
| 10,341 | | | 3,749 | 375 | Explanation of items in col. (i) (cont.) | | 53 |
| | | | 4,000,021 | 376 | | 54 | |
| 2,456 | | | 220,234 | 377 | | 55 | |
| | | | 61,892 | 378 | | 56 | |
| 3,320 | | | 2,730,846 | 379 | | 57 | |
| | | | 730,188 | 380 | | 58 | |
| | | | | 381 | | 59 | |
| | | | | 382 | | 60 | |
| | | | 346,472 | 383 | | 61 | |
| | | | | 384 | | 62 | |
| | | | 58,705 | 385 | | 63 | |
| | | | | 386 | | 64 | |
| | | | | 387 | | 65 | |
| 16,117 | 0 | 0 | 8,152,107 | | | 66 | |
| | | | | | | 67 | |
| | | | | | | 68 | |
| | | | | | | 69 | |
| | | | | | | 70 | |
| | | | | | | 71 | |
| | | | | | | 72 | |
| | | | 10,571 | 390 | | 73 | |
| | | | | 391 | | 74 | |
| | | | | 391.2 | | 75 | |
| | | | | 393 | | 76 | |
| | | | 24,109 | 394 | | 77 | |
| | | | 88,069 | 395 | | 78 | |
| | | | | 396 | | 79 | |
| | | | 1,999 | 397 | | 80 | |
| | | | | 398 | | 81 | |
| 0 | 0 | 0 | 122,749 | | | 82 | |
| | | | | | | 83 | |
| | | | | 399 | | 84 | |
| 0 | 0 | 0 | 124,748 | | | 85 | |
| 16,117 | 0 | 0 | 8,316,967 | | | 86 | |
| | | | | | | 87 | |
| | | | | | | 88 | |
| | | | | | | 89 | |
| | | | | | 90 | | |
| | | | | | 91 | | |
| | | | | | 92 | | |
| | | | | | 93 | | |
| | | | | | 94 | | |
| | | | | | 95 | | |
| 16,117 | 0 | 0 | 8,316,967 | | 96 | | |
| | | | | | 97 | | |

GAS STORED (ACCOUNTS 117, 164.1, 164.2, and 164.3)

1. If during the year, adjustment was made to the stored gas inventory (such as to correct cumulative inaccuracies of gas measurements), furnish in a footnote an explanation of the reason for the adjustment, the MCF and dollar amount of adjustment, and account charged or credited.

2. Give in a footnote, a concise statement of the facts and the accounting performed with respect to any encroachment of withdrawals during the year, or restoration of previous encroachment, upon native gas constituting the "gas cushion" of any storage reservoir.

3. If the company uses a "base stock" in connection with its inventory accounting, give a concise statement of the basis of establishing such "base stock" and the inventory basis and the accounting performed with respect to any encroachment of withdrawals upon "base stock," or restoration of previous encroachment, including brief particulars of any such accounting during the year.

4. If the company has provided accumulated provision for stored gas, which may not eventually be fully recovered from any storage project, furnish a statement showing: (a) date of FERC authorization of such accumulated provision, (b) explanation of circumstances requiring such provision, (c) basis of provision and factors of calculation, (d) estimated ultimate accumulated provision accumulation, and (e) a summary showing balance of accumulated provision and entries during the year.

5. Report pressure base of gas volumes as 14.73 psia at 60 Degrees F. (See Note 1)

| Line No. | Description (a) | Noncurrent (Account 117) (b) | Current (Account 164.1) (c) | LNG (Account 164.2) (d) | LNG (Account 164.3) (e) | Total (f) | |
|----------|---|------------------------------------|-----------------------------------|-------------------------------|-------------------------------|--------------|---|
| 1 | Balance at Beginning of Year | . | \$775,118 | . | . | \$775,118 | 1 |
| 2 | Gas Delivered to Storage | . | 1,315,514 | . | . | 1,315,514 | 2 |
| 3 | Gas Withdrawn from Storage (contra Account) | . | (1,006,040) | . | . | (1,006,040) | 3 |
| 4 | Other Debits or Credits (Net) | . | 3,284 | . | . | 3,284 | 4 |
| 5 | Balance at End of Year | . | 1,087,876 | . | . | 1,087,876 | 5 |
| 6 | Therms | . | 2,070,500 | . | . | 2,070,500 | 6 |
| 7 | Amount Per Therm | . | 0.5254 | . | . | 0.5254 | 7 |
| 8 | | | | | | | 8 |

DETAIL OF STORED GAS, ACCOUNT 164.1

The instructions for page 220 also apply to this schedule. Subaccounts shown below conform with the changes to the Uniform System of Accounts adopted by the Public Service Commission in docket 05-US-112, order issued January 17, 2001. Column (i) is the sum of the dollar amounts in the subaccounts and should agree with the amounts reported for Account 164.1 on page 220.

| Line No. | Description (a) | Commodity Storage Fees Account 164.11 (b) | Commodity Injection Fees Account 164.12 (c) | Other Storage Fees Account 164.14 (d) | Stored Gas Withdrawn or Forfeited - Credit Account 164.16 (e) |
|----------|-------------------------------|---|---|---|---|
| 1 | Balance at Beginning of Year | 274,214 | 6,852 | | (1,073,186) |
| 2 | Gas Delivered to Storage | | | | |
| 3 | Gas Withdrawn from Storage | | | | (1,006,040) |
| 4 | Other Debits or Credits (Net) | (274,214) | (3,568) | | 1,848,304 |
| 5 | Balance at End of Year | \$ - | \$ 3,284 | \$ - | \$ (230,922) |
| 6 | Therms | | | | |
| 7 | Amount Per Therm | | | | |

| Line No. | Description (f) | Gas Commodity Costs Transferred to Storage - Debit Account 164.33 (g) | Gas Transmission Expenses Transferred to Storage - Debit Account 164.53 (h) | Total Account 164.1 (i) |
|----------|-------------------------------|---|---|-------------------------------|
| 8 | Balance at Beginning of Year | 1,567,238 | | 775,118 |
| 9 | Gas Delivered to Storage | 1,315,514 | | 1,315,514 |
| 10 | Gas Withdrawn from Storage | | | (1,006,040) |
| 11 | Other Debits or Credits (Net) | (1,567,238) | | 3,284 |
| 12 | Balance at End of Year | \$ 1,315,514 | \$ - | \$1,087,876 |
| 13 | Therms | 2,070,500 | | 2,070,500 |
| 14 | Amount Per Therm | | | \$0.5254 |

SUMMARY OF GAS ACCOUNT

Report below the specified information for each operating area constituting a separate gas system.

| Particulars (a) | Total all systems therms (b) | System therms (c) | System therms (d) |
|---|---------------------------------------|-------------------------|-------------------------|
| System Name | | | |
| Gas produced (gross): | | | |
| Propane - air | 0 | | |
| Other gas | | | |
| Total gas produced | 0 | | |
| Gas purchased: | | | |
| Natural | 22,515,940 | | |
| Net Imbalance & Fuel | (592,500) | | |
| Total gas purchased | 21,923,440 | | |
| Add: Gas withdrawn from storage | 2,476,200 | | |
| Less: Gas delivered to storage | 2,510,000 | | |
| Total (lines 14 + 18 + 19 - 20) | 21,889,640 | | |
| Transport gas received | | | |
| Total gas del. to mains (lines 21 + 22) | 21,889,640 | | |
| Gas sold (incl. interdepartmental) | 21,837,168 | | |
| Gas used by utility | | | |
| Transport gas delivered | | | |
| Total (lines 24 + 25 + 26) | 21,837,168 | | |
| Gas unaccounted for (lines 23 - 27) | 52,472 | | |

SUMMARY OF SYSTEM LOAD STATISTICS

Report below the data specified for each operating area constituting a separate gas system.

| Particulars (a) | Total all systems therms (b) | System therms (c) | System therms (d) |
|--|---------------------------------------|-------------------------|-------------------------|
| System Name | | | |
| Maximum send-out in any one day | | | |
| Date of such maximum | | | |
| Maximum daily capacity: | N/A | | |
| Total manufactured-gas production capacity | | | |
| Liquefied natural gas storage capacity | | | |
| Maximum daily purchase capacity | | | |
| Total maximum daily capacity: production liquefied natural gas storage, and purchases | | | |
| Monthly send-out: January | 3,678,070 | | |
| February | 3,323,240 | | |
| March | 2,765,690 | | |
| April | 1,939,020 | | |
| May | 1,244,770 | | |
| June | 668,380 | | |
| July | 511,430 | | |
| August | 503,510 | | |
| September | 718,420 | | |
| October | 1,380,190 | | |
| November | 2,422,860 | | |
| December | 2,734,060 | | |
| Total send-out | 21,889,640 | | |

May not cross-check due to rounding.

PURCHASED GAS

Report below the specified information for each point of metering.

| Particulars (a) | Total (b) | (c) | (d) |
|---|--------------------------|-----|-----|
| Name of vendor | #1 | | |
| Point of metering | City Limits Gate Station | | |
| Type of gas purchased | Firm Transportation | | |
| Therms of gas purchased per pipeline rate schedules: | 12,652,700 | | |
| Total cost of gas purchased | \$ 7,300,802 | | |
| Average cost per therm of gas purchased per pipeline rate schedules: | \$ 0.5770 | | |
| Maximum therms purchased in any one day | | | |
| Date of such maximum purchase (da/mo/yr) | | | |
| Average B.t.u. content per cu. ft. of gas | | | |
| Name of vendor | #2 | | |
| Point of metering | City Limits Gate Station | | |
| Type of gas purchased | Firm Transportation | | |
| Therms of gas purchased per pipeline rate schedules: | 300,890 | | |
| Total cost of gas purchased | \$ 142,270 | | |
| Average cost per therm of gas purchased per pipeline rate schedules: | \$ 0.4728 | | |
| Maximum therms purchased in any one day | | | |
| Date of such maximum purchase (da/mo/yr) | | | |
| Average B.t.u. content per cu. ft. of gas | | | |
| Name of vendor | #3 | | |
| Point of metering | City Limits Gate Station | | |
| Type of gas purchased | Firm Transportation | | |
| Therms of gas purchased per pipeline rate schedules: | 3,430,330 | | |
| Total cost of gas purchased | \$ 1,593,343 | | |
| Average cost per therm of gas purchased per pipeline rate schedules: | \$ 0.4645 | | |
| Maximum therms purchased in any one day | | | |
| Date of such maximum purchase (da/mo/yr) | | | |
| Average B.t.u. content per cu. ft. of gas | | | |

May not cross-check due to rounding.

PURCHASED GAS

Report below the specified information for each point of metering.

| Particulars (a) | Total (b) | (c) | (d) |
|---|--------------------------|-----|-----|
| Name of vendor | #4 | | |
| Point of metering | City Limits Gate Station | | |
| Type of gas purchased | Firm Transportation | | |
| Therms of gas purchased per pipeline rate schedules: | 6,107,540 | | |
| Total cost of gas purchased | \$ 2,967,202 | | |
| Average cost per therm of gas purchased per pipeline rate schedules: | \$ 0.4858 | | |
| Maximum therms purchased in any one day | | | |
| Date of such maximum purchase (da/mo/yr) | | | |
| Average B.t.u. content per cu. ft. of gas | | | |
| Name of vendor | #5 | | |
| Point of metering | City Limits Gate Station | | |
| Type of gas purchased | Firm Transportation | | |
| Therms of gas purchased per pipeline rate schedules: | 24,480 | | |
| Total cost of gas purchased | \$ 12,258 | | |
| Average cost per therm of gas purchased per pipeline rate schedules: | \$ 0.5007 | | |
| Maximum therms purchased in any one day | | | |
| Date of such maximum purchase (da/mo/yr) | | | |
| Average B.t.u. content per cu. ft. of gas | | | |
| Name of vendor | | | |
| Point of metering | | | |
| Type of gas purchased | | | |
| Therms of gas purchased per pipeline rate schedules: | | | |
| Total cost of gas purchased | | | |
| Average cost per therm of gas purchased per pipeline rate schedules: | | | |
| Maximum therms purchased in any one day | | | |
| Date of such maximum purchase (da/mo/yr) | | | |
| Average B.t.u. content per cu. ft. of gas | | | |

May not cross-check due to rounding.

PURCHASED GAS

Report below the specified information for each point of metering.

| (e) | (f) | (g) | (h) | (i) | (j) |
|---|-----|--|--|-----|-----|
| Point of metering Type of gas purchased Maximum therms purchased in any one day Date of such maximum purchase Average BTU content per cu ft of gas Total Demand Cost | | | City Limits Gate Station Natural, pipeline, firm, interruptible includes 431 16,400 MMBTU 1/22/2003 \$ 1,363,168 | | |
| Total Company: Demand Costs Expended: D1 D2 Gas Commodity Costs Other Fees, Transportation, and Net Storage Costs Total purchased gas costs Total therms purchased Net Imbalance & Fuel Delivered to Storage Withdrawn from Storage Received from Pipeline Storage Gas Purchased Therms Bundled Commodity Costs Average Cost per therm | | \$ 816,638 546,530 11,966,411 \$ (310,295) 13,019,283 22,515,940 (592,500) (2,510,000) <u>2,476,200</u> <u>21,889,640</u> 2,510,000 1,318,797 0.5254 | | | |

May not cross-check due to rounding.

GAS MAINS CLASSIFIED BY TYPES AND SIZES

| Classification (a) | Wisconsin | | Other | | Total | |
|-----------------------|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|
| | No. of feet beg. of year (b) | No. of feet end of year (c) | No. of feet beg. of year (d) | No. of feet end of year (e) | No. of feet beg. of year (f) | No. of feet end of year (g) |
| Cast Iron: | | | | | | |
| Inches | | | | | | |
| Inches | | | | | | |
| Inches | | | | | | |
| Inches | | | | | | |
| Inches | | | | | | |
| Inches | | | | | | |
| Inches | | | | | | |
| Total | | | | | | |
| Steel: | | | | | | |
| Under 2 Inches | 12,030 | 12,030 | | | 12,030 | 12,030 |
| 2 Inches | 183,937 | 183,173 | | | 183,937 | 183,173 |
| 3 Inches | 2,907 | 2,907 | | | 2,907 | 2,907 |
| 4 Inches | 140,878 | 140,888 | | | 140,878 | 140,888 |
| 6 Inches | 85,685 | 83,131 | | | 85,685 | 83,131 |
| 8 Inches | 2,305 | 2,305 | | | 2,305 | 2,305 |
| 10 Inches | 26,417 | 26,417 | | | 26,417 | 26,417 |
| 12 Inches | 34,740 | 34,740 | | | 34,740 | 34,740 |
| Inches | | | | | | |
| Inches | | | | | | |
| Inches | | | | | | |
| Inches | | | | | | |
| Inches | | | | | | |
| Inches | | | | | | |
| Inches | | | | | | |
| Inches | | | | | | |
| Total | 488,899 | 485,591 | | | 488,899 | 485,591 |
| Plastic: | | | | | | |
| 3/4 Inches | 22,937 | 22,937 | | | 22,937 | 22,937 |
| 1 Inches | 155 | 155 | | | 155 | 155 |
| 1 1/4 Inches | 37,159 | 37,159 | | | 37,159 | 37,159 |
| 2 Inches | 634,344 | 639,372 | | | 634,344 | 639,372 |
| 3 Inches | 60,492 | 63,042 | | | 60,492 | 63,042 |
| 4 Inches | 161,842 | 161,848 | | | 161,842 | 161,848 |
| 6 Inches | 37,523 | 39,956 | | | 37,523 | 39,956 |
| 12 Inches | 4,912 | 4,912 | | | 4,912 | 4,912 |
| Inches | | | | | | |
| Total | 959,364 | 969,381 | | | 959,364 | 969,381 |
| Other (specify): | | | | | | |
| Inches | | | | | | |
| Inches | | | | | | |
| Inches | | | | | | |
| Inches | | | | | | |
| Inches | | | | | | |
| Inches | | | | | | |
| Inches | | | | | | |
| Total | | | | | | |
| Grand Total | 1,448,263 | 1,454,972 | | | 1,448,263 | 1,454,972 |

May not cross-check due to rounding.

GAS SERVICES (LOCATED IN WISCONSIN)

Number of services should include only those owned by utility.

| Size (a) | Number added during year | | Number retired during year | | Total services end of year | |
|---------------|--------------------------|---------------------------------|----------------------------|---------------------------------|----------------------------|---------------------------------|
| | Main to curb (b) | On customers premises (c) | Main to curb (d) | On customers premises (e) | Main to curb (f) | On customers premises (g) |
| 1/2"-5/8" | 117 | 117 | 11 | 11 | 6,785 | 6,785 |
| 3/4"-7/8" | 12 | 12 | 12 | 12 | 2,454 | 2,454 |
| 1" | | | 18 | 18 | 340 | 340 |
| 1 1/8"-1 1/4" | 2 | 2 | | | 102 | 102 |
| 1 3/8"-1 1/2" | | | | | 4 | 4 |
| 2" | | | 3 | 3 | 71 | 71 |
| 3" | | | | | 2 | 2 |
| 4" | | | 1 | 1 | 4 | 4 |
| 6" | | | | | 2 | 2 |
| 8" | | | | | 1 | 1 |
| Total | 131 | 131 | 45 | 45 | 9,765 | 9,765 |

GAS SERVICES (LOCATED OUTSIDE WISCONSIN) None

Number of services should include only those owned by utility.

| (a) | (b) | (c) | (d) | (e) | (f) | (g) |
|--------------------------------|-----|-----|-----|-----|-------|-------|
| | | | | | | |
| Total | | | | | | |
| G. Total (Lines 34 & 53) | 131 | 131 | 45 | 45 | 9,765 | 9,765 |

| | |
|--|-----|
| Have inactive services been retired in accordance with requirements of paragraph C of Account 380 of Uniform System of Accounts? | Yes |
| Have inactive services been disconnected from the gas supply in accordance with section 192.727(g) of the Wisconsin Administrative Code? | Yes |

May not cross-check due to rounding.

GAS METERS

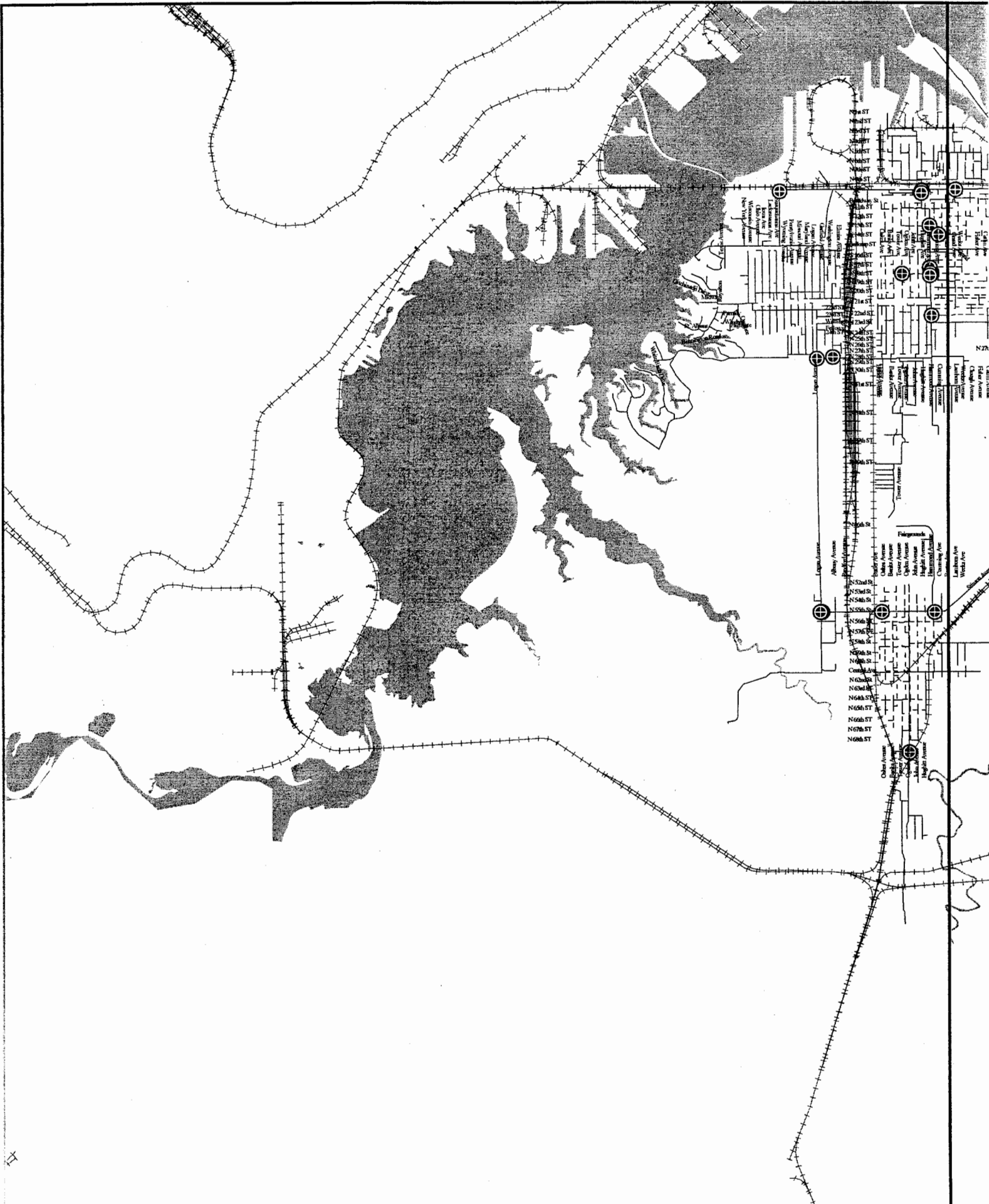
Number of meters should include only those carried in Utility Plant Account 381.

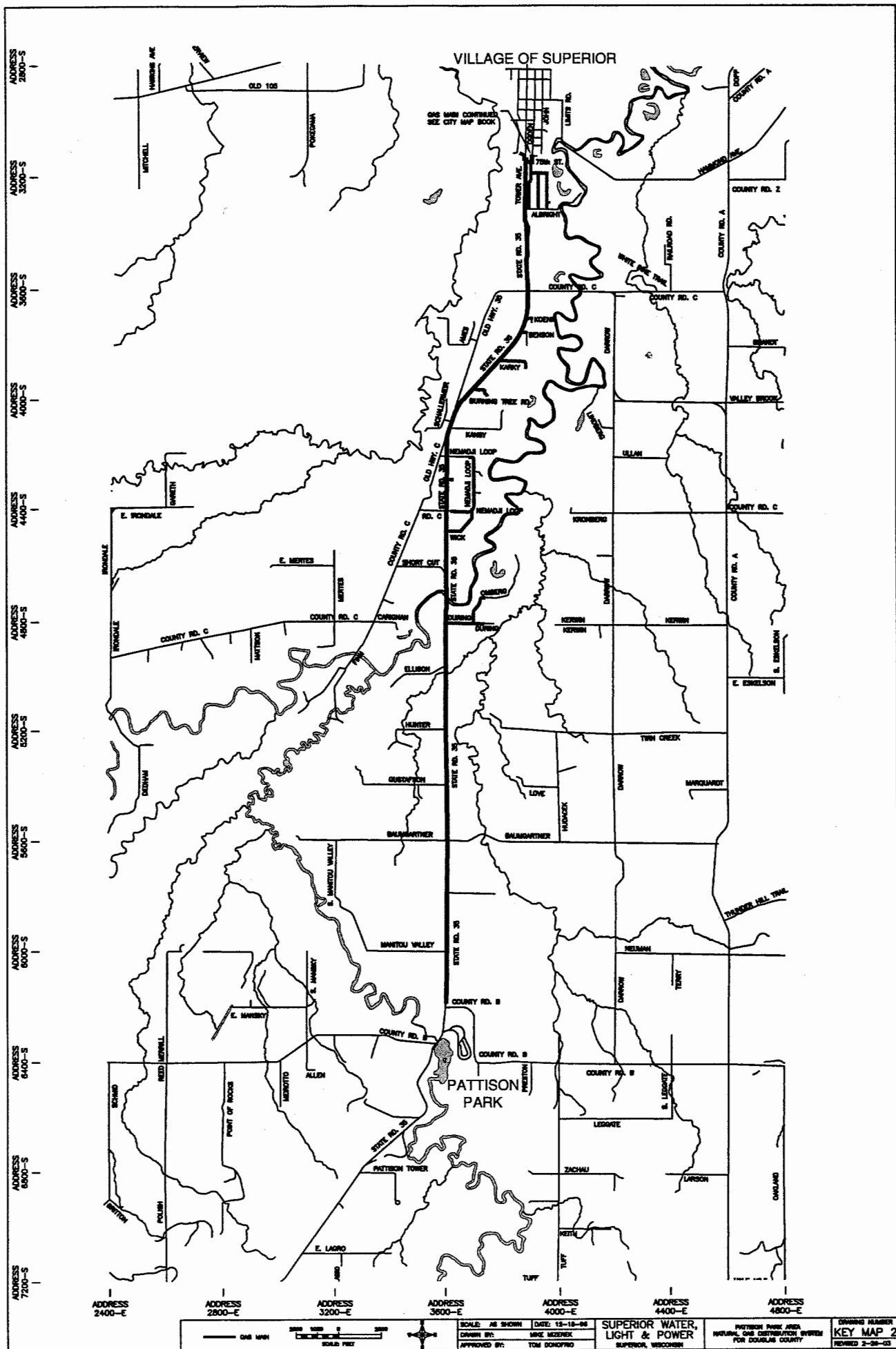
| Particulars (a) | Number end of year (b) |
|--|------------------------------|
| Diaphragmed meters (capacity at 1/2-inch water column pressure drop): | |
| 2,400 cu. ft. per hour or less | 12,157 |
| Over 2,400 cu. ft. per hour | 0 |
| Rotary meters | 225 |
| Orifice meters | |
| Total end of year | 12,382 |
| In stock | 388 |
| Locked meters on customer's premises | 103 |
| Regular meters in customer's use | 11,885 |
| Prepayment meters in customer's use | |
| Meters in company use, included in Account 381 | 6 |
| Total end of year (as above) | 12,382 |
| No. of diaphragmed meters at end of year which compensate for temperature: | 12,157 |
| Number of house regulators installed at end of year | 11,990 |

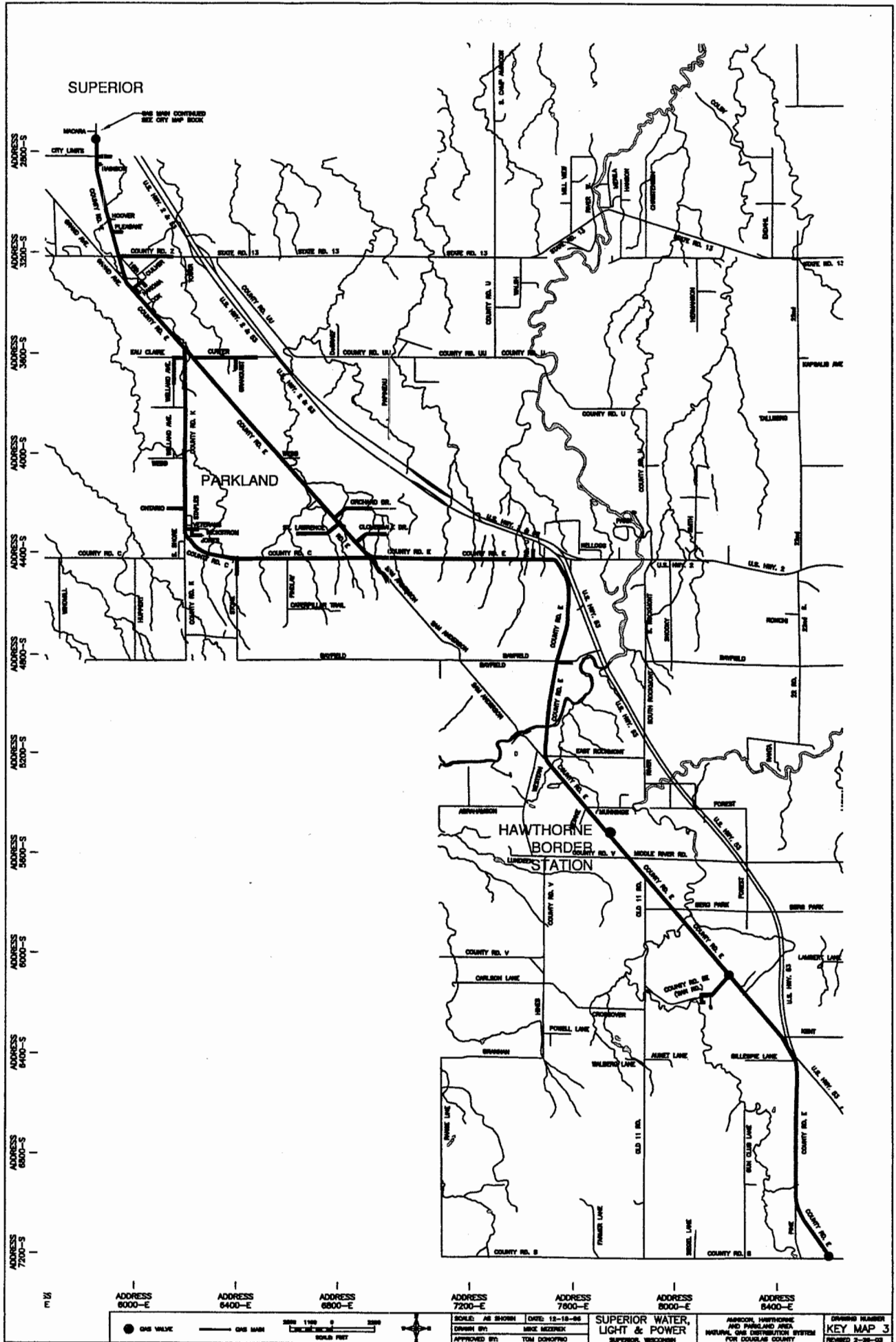
Attach to this sheet a map or maps of the territory served, showing location & company designation of points of purchase, production plants, large compressor stations and transmission lines. Show also the names of larger communities served and the boundaries of the utility's operating divisions.

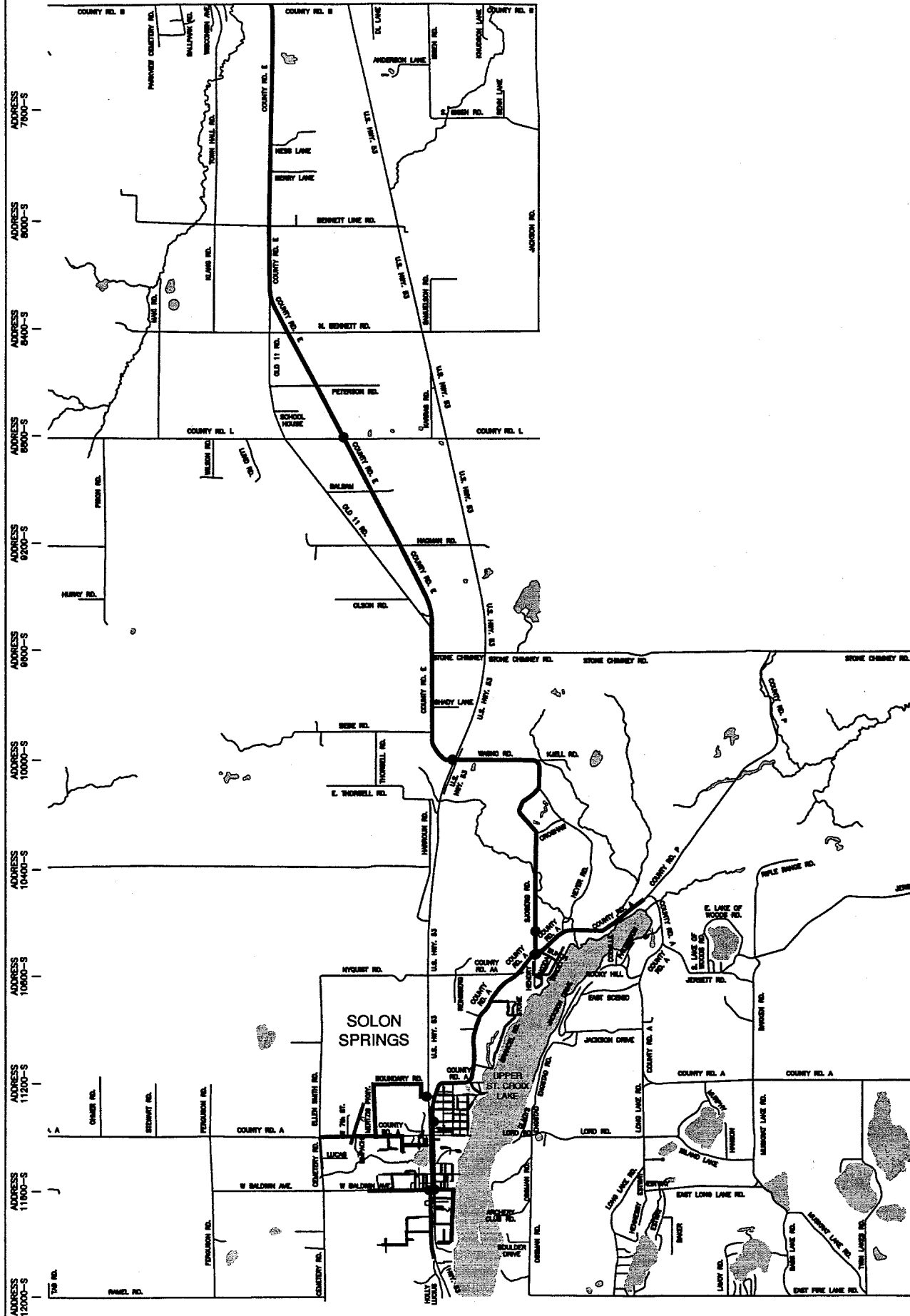
Hirschman-Herfindahl Index

| | Class | Schedules | HHI | Is the Utility the Provider With the Largest Market Share? |
|-----|---|--------------------------|------------|---|
| 1. | Residential Firm | GR1 | 10,000 | Yes |
| 2. | Small Commercial / Industrial Firm | GC1 | 10,000 | Yes |
| 3. | Large Commercial / Industrial Firm | GL1 | 10,000 | Yes |
| 4. | Small Commercial / Industrial Interruptible | GI1 | 10,000 | Yes |
| 5. | Large Commercial / Industrial Interruptible | GI6 / CDR / PF1 / CSR | 10,000 | Yes |
| 6. | All Commercial / Industrial | TSP | N/A | 1/ |
| 7. | | | | |
| 8. | 1/ Currently there are no customers on this rate. | | | |
| 9. | | | | |
| 10. | | | | |
| 11. | | | | |
| 12. | | | | |
| 13. | | | | |
| 14. | | | | |





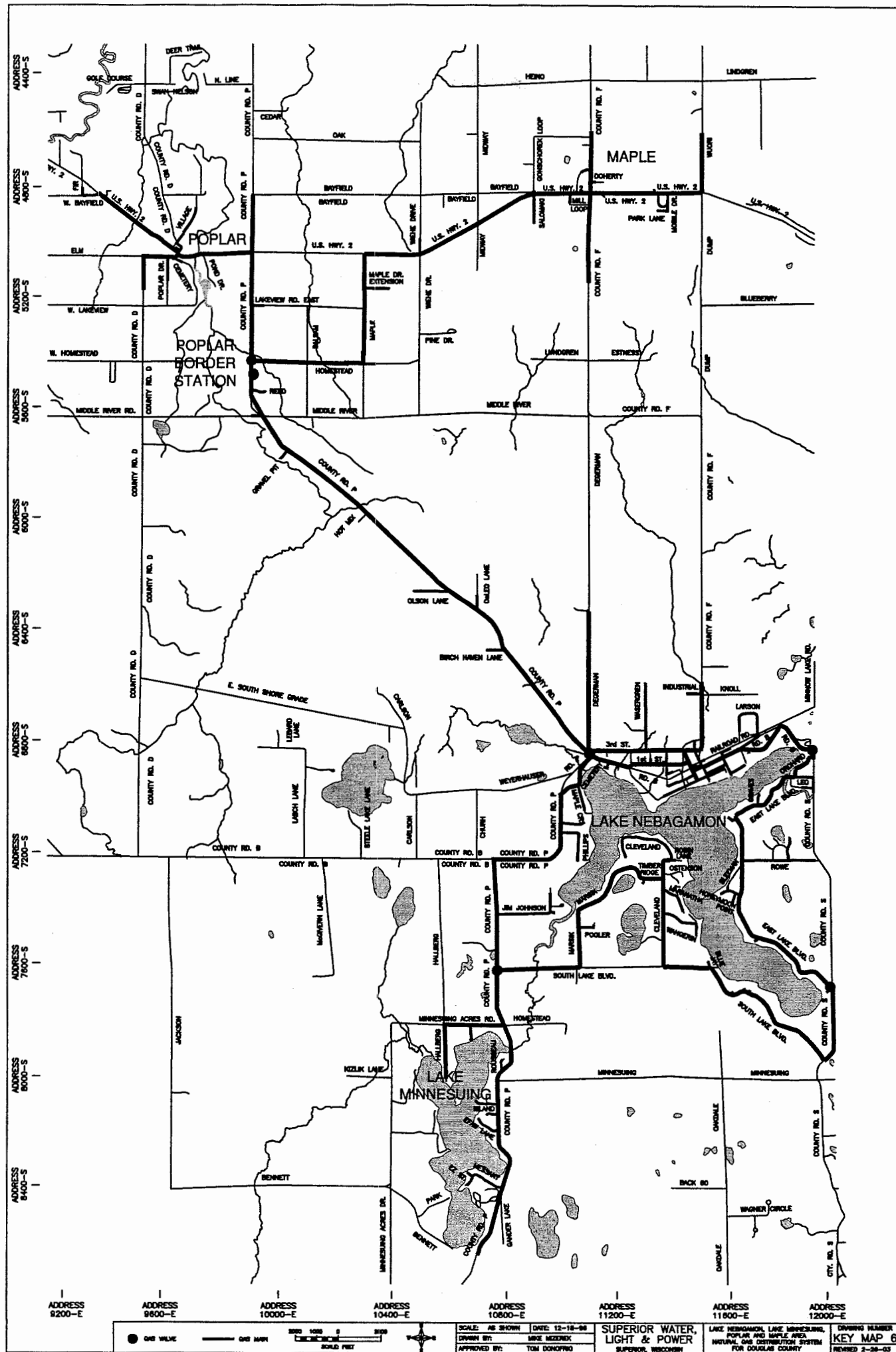




ADDRESS 7600-S ADDRESS 8000-S ADDRESS 8400-S ADDRESS 8800-S ADDRESS 9200-S ADDRESS 9600-S ADDRESS 10000-S ADDRESS 10400-S ADDRESS 10800-S ADDRESS 11200-S ADDRESS 11600-S ADDRESS 1200-S

ADDRESS 8000-E ADDRESS 8400-E ADDRESS 8800-E ADDRESS 9200-E ADDRESS 9600-E ADDRESS 10000-E ADDRESS 10400-E ADDRESS 10800-E

| | | | | | |
|--|--|---|--|--|---|
| | | SCALE: AS SHOWN DRAWN BY: MIKE MCKENZIE APPROVED BY: TOM DOKOPIKO | DATE: 12-18-04 SUPERIOR WATER, LIGHT & POWER SUPERIOR, WISCONSIN | BENNETT AND SOLON SPRINGS AREA INTERNAL GAS DISTRIBUTION SYSTEM FOR DOUGLAS COUNTY | DRAWING NUMBER KEY MAP 4 REVISED 2-28-03 |
| | | | | | |
| | | | | | |



ADDRESS
5600-S

ADDRESS
6000-S


ADDRESS
13000-E

ADDRESS
14000-E

BRULE
BORDER
STATION

RANGER
STATION

BRULE

| | | | | | |
|---|-----------------------------|---------------|---|---|---|
|  | SCALE: AS SHOWN | DATE: 12-1-87 | SUPERIOR WATER, LIGHT & POWER SUPERIOR, WISCONSIN | BRULE AREA NATURAL GAS DISTRIBUTION SYSTEM FOR DOUGLAS COUNTY | DRAWING NUMBER KEY MAP 8 REVISED 2-28-03 |
| | DRAWN BY: MIKE MCNECK | | | | |
| | APPROVED BY: TOM DONOHUE | | | | |

WATER OPERATING REVENUES AND EXPENSES (CLASS A&B)

Complete duplicate pages W-1 for each separate water system and for total. Where customers' meters record cubic feet, multiply cubic feet by 7.48 to obtain number of gallons. Report estimated gallons for unmetered sales. Sales to multiple dwelling buildings through a single meter serving 3 or more family units should be classified commercial.

| Particulars (a) | Average Number of Customers (b) | Thousands of Gallons of Water Sold (c) | Amounts (d) |
|--|--|---|----------------|
| System Name | | | |
| OPERATING REVENUES | | | |
| Sales of Water | | | |
| Unmetered sales to general customers (460): | | | |
| Residential | | | |
| Commercial | | | |
| Industrial | | | |
| Total (460) | | | |
| Metered sales to general customers (461): | | | |
| Residential | 9,204 | 448,646 | 2,723,947 |
| Commercial | 859 | 296,015 | 1,174,175 |
| Industrial | 58 | 273,704 | 742,098 |
| Total (461) | 10,121 | 1,018,365 | 4,640,220 |
| Private fire-protection service (462) | 58 | | 44,831 |
| Public fire-protection service (463) | | | 890,561 |
| Other sales to public authorities (464) | 36 | 31,334 | 139,886 |
| Sales to irrigation customers (465) | | | |
| Interdepartmental sales (467) | 1 | 327 | 1,588 |
| Total sales to ultimate consumers | 10,216 | 1,050,026 | 5,717,086 |
| Sales for resale (466) | | | |
| Total sales of water | 10,216 | 1,050,026 | 5,717,086 |
| Other Operating Revenues | | | |
| Forfeited discounts (470) | | | 18,782 |
| Miscellaneous service revenues (471) | | | 16,890 |
| Rents from water property (472) | | | |
| Interdepartmental rents (473) | | | |
| Other water revenues (474) | | | 18,765 |
| Total other operating revenues | | | 54,437 |
| Total operating revenues | | | 5,771,523 |
| Operating Expenses | | | |
| Source of supply expenses (600-617) | | | 60,135 |
| Pumping expenses (620-633) | | | 211,051 |
| Water treatment expenses (640-652) | | | 448,529 |
| Transmission and distribution expenses (660-678) | | | 938,664 |
| Customer accounts expenses (901-905) | | | 204,869 |
| Customer service expenses (907) | | | 24,525 |
| Sales promotion expenses (910) | | | |
| Administrative and general expenses (920-932) | | | 860,224 |
| Total operation and maintenance expenses | | | 2,747,997 |
| Depreciation expense (403) | | | 669,477 |
| Amortization expense (404-407) | | | 9,392 |
| Taxes other than income taxes (408.1) | | | 479,432 |
| Income taxes (409.1) | | | 426,443 |
| Investment tax credits, deferred (412.1) | | | 103,856 |
| Investment tax credits, restored (412.2) | | | (6,631) |
| Total operating expenses | | | 4,429,966 |
| Operating income | | | 1,341,557 |

May not cross-check due to rounding.

OTHER OPERATING REVENUES

Complete duplicate pages for each separate water system.

Describe nature of miscellaneous revenues included in accounts 471, 472, 473, and 474, showing separate total for each account. Enter account number on total lines.

| Particulars (a) | Acct. No. (b) | Amount (c) |
|--|------------------|---------------|
| System Name | | |
| Revenue: | | |
| Forfeited Discounts - Interest on Late Payments | 470 | 18,782 |
| Misc Service Revenues - Connection & Reconnection Chgs | 471 | 16,890 |
| Other Water Revenues | 474 | 18,765 |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| Total (471-474) | | 54,437 |

WATER OPERATION AND MAINTENANCE EXPENSES

Complete duplicate pages for each separate water system.

| Particulars (a) | Amount (b) |
|---|---------------|
| System Name | |
| SOURCE OF SUPPLY EXPENSES | |
| Operation supervision & engineering (600) | 45,555 |
| Operation labor and expenses (601) | 1,120 |
| Purchased water (602) | |
| Miscellaneous expenses (603) | |
| Rents (604) | |
| Maintenance supervision and engineering (610) | 3,233 |
| Maintenance of structures and improvements (611) | 10,227 |
| Maintenance of collecting and impounding reservoirs (612) | |
| Maintenance of lake, river and other intakes (613) | |
| Maintenance of wells and springs (614) | |
| Maintenance of infiltration galleries and tunnels (615) | |
| Maintenance of supply mains (616) | |
| Maintenance of miscellaneous water source plant (617) | |
| Total source of supply expenses | 60,135 |
| PUMPING EXPENSES | |
| Operation supervision and engineering (620) | 15,017 |
| Fuel for power production (621) | |
| Power production labor and expenses (622) | |
| Fuel or power purchased for pumping (623) | 130,953 |
| Pumping labor and expenses (624) | 41,821 |
| Expenses transferred--credit (625) | |
| Miscellaneous expenses (626) | |
| Rents (627) | |
| Maintenance supervision and engineering (630) | |
| Maintenance of structures and improvements (631) | |
| Maintenance of power production equipment (632) | |
| Maintenance of pumping equipment (633) | 23,260 |
| Total pumping expenses | 211,051 |

May not cross-check due to rounding.

WATER OPERATION AND MAINTENANCE EXPENSES (Cont.)

| Particulars (a) | Amount (b) |
|---|---------------|
| System Name | |
| WATER TREATMENT EXPENSES | |
| Operation supervision and engineering (640) | 15,101 |
| Chemicals (641) | 138,705 |
| Operation labor and expenses (642) | 240,859 |
| Miscellaneous expenses (643) | |
| Rents (644) | |
| Maintenance supervision and engineering (650) | |
| Maintenance of structures and improvements (651) | |
| Maintenance of water treatment equipment (652) | 53,864 |
| Total water treatment expenses | 448,529 |
| TRANSMISSION AND DISTRIBUTION EXPENSES | |
| Operation supervision and engineering (660) | 18,053 |
| Storage facilities expenses (661) | |
| Transmission and distribution lines expenses (662) | 204,785 |
| Meter expenses (663) | 74,716 |
| Customer installations expenses (664) | 318 |
| Miscellaneous expenses (665) | 86,903 |
| Rents (666) | |
| Maintenance supervision and engineering (670) | |
| Maintenance of structures and improvements (671) | |
| Maintenance of distribution reservoirs and standpipes (672) | |
| Maintenance of transmission and distribution mains (673) | 328,115 |
| Maintenance of fire mains (674) | 19,040 |
| Maintenance of services (675) | 130,324 |
| Maintenance of meters (676) | 29,536 |
| Maintenance of hydrants (677) | 46,874 |
| Total transmission and distribution expenses | 938,664 |
| CUSTOMER ACCOUNTS EXPENSES | |
| Supervision (901) | 6,653 |
| Meter reading expenses (902) | 69,793 |
| Customer records and collection expenses (903) | 95,301 |
| Uncollectible accounts (904) | 24,000 |
| Miscellaneous customer accounts expenses (905) | 9,122 |
| Total customer accounts expenses | 204,869 |
| CUSTOMER SERVICE EXPENSES | |
| Customer service and information expenses (907) | 24,525 |
| SALES PROMOTION EXPENSES | |
| Sales promotion expenses (910) | - |
| ADMINISTRATION AND GENERAL EXPENSES | |
| Administrative and general salaries (920) | 216,815 |
| Office supplies and expenses (921) | 55,113 |
| Administrative expenses transferred--credit (922) | 49,226 |
| Outside services employed (923) | 158,195 |
| Property insurance (924) | 6,802 |
| Injuries and damages (925) | 61,222 |
| Employee pensions and benefits (926) | 392,031 |
| Regulatory commission expenses (928) | 16,736 |
| Duplicate charges--credit (929) | |
| Institutional or goodwill advertising expenses (930.1) | 746 |
| Miscellaneous general expenses (930.2) | 1,491 |
| Research and development expenses (930.3) | |
| Rents (931) | 299 |
| Maintenance of general plant (935) | |
| Total administrative and general expenses | 860,224 |
| Total water operation and maintenance expenses | 2,747,997 |

May not cross-check due to rounding.

WATER UTILITY PLANT IN SERVICE

Report in column (e) entries reclassifying property from one account to another.

Complete pages W-4, W-5, W-6, and W-7 for each separate water system and for total.

| Accounts (a) | Balance at Beginning of Year (b) | Additions during Year (c) |
|--|--|---------------------------------|
| System Name | | |
| INTANGIBLE PLANT | | |
| Organization (301) | 1,250 | |
| Franchises and consents (302) | | |
| Miscellaneous intangible plant (303) | | |
| Total intangible plant (301-303) | 1,250 | |
| SOURCE OF SUPPLY PLANT | | |
| Land and land rights (310) 1/ | 4,934 | |
| Structures and improvements (311) | | |
| Coll. and impound. Reservoirs (312) | 370,236 | |
| Lake, river and other intakes (313) 2/ | 243,727 | 23,453 |
| Wells and springs (314) 3/ | 2,622,142 | |
| Infiltration galleries and tunnels (315) | | |
| Supply mains (316) 4/ | 2,128,319 | |
| Other water source plant (317) (ARO) | 0 | 8,467 |
| Total source of supply plant (310-317) | 5,369,358 | 31,920 |
| PUMPING PLANT | | |
| Land and Land Rights (320) | 6,237 | |
| Structures and Improvements (321) 5/ | 612,561 | |
| Boiler plant equipment (322) | | |
| Other power production equipment (323) | | |
| Steam pumping equipment (324) | | |
| Electric pumping equipment (325) 6/ | 782,142 | 63,673 |
| Diesel pumping equipment (326) | | |
| Hydraulic pumping equipment (327) | | |
| Other pumping equipment (328) 7/ | 1,485,709 | |
| Total pumping plant (320-328) | 2,886,649 | 63,673 |
| WATER TREATMENT PLANT | | |
| Land and land rights (330) | 101,588 | |
| Structures and improvements (331) | 2,073,555 | 281,464 |
| Water treatment equipment (332) 8/ | 3,486,355 | |
| Total water treatment plant (330-332) | 5,661,498 | 281,464 |

May not cross-check due to rounding.

WATER UTILITY PLANT IN SERVICE (Cont.)

| Account Number (d) | Retirements during year (e) | Adjustments Increase or (Decrease) (f) | Balance at End of Year (g) | |
|-----------------------|--------------------------------|--|-------------------------------|--|
| 301 | | | 1,250 | |
| 302 | | | | |
| 303 | | | | |
| Total | 0 | 0 | 1,250 | |
| 310 | | 1 | 4,935 | |
| 311 | | | | |
| 312 | | | 370,236 | |
| 313 | | | 267,180 | |
| 314 | 10 | | 2,622,132 | |
| 315 | | | | |
| 316 | | | 2,128,319 | |
| 317 | | | 8,467 | |
| Total | 10 | 1 | 5,401,269 | |
| 320 | | | 6,237 | |
| 321 | | | 612,561 | |
| 322 | | | | |
| 323 | | | | |
| 324 | | | | |
| 325 | 20,000 | | 825,815 | |
| 326 | | | | |
| 327 | | | | |
| 328 | | (17,404) | 1,468,305 | |
| Total | 20,000 | (17,404) | 2,912,918 | |
| 330 | | | 101,588 | |
| 331 | | | 2,355,019 | |
| 332 | | | 3,486,355 | |
| Total | 0 | 0 | 5,942,962 | |

May not cross-check due to rounding.

WATER UTILITY PLANT IN SERVICE (Continued)

| Accounts (a) | Balance at Beginning of Year (b) | Additions During Year (c) |
|---|--|---------------------------------|
| TRANSMISSION AND DISTRIBUTION PLANT | | |
| Land and land rights (340) | 335 | |
| Structures and improvements (341) | | |
| Distribution reservoirs and standpipes (342) | | |
| Transmission and distribution mains (343) | 5,362,650 | 47,625 |
| Fire mains (344) | | |
| Services (345) | 2,104,067 | 62,658 |
| Meters (346) | 1,132,087 | 93,301 |
| Meter installations (347) | | |
| Hydrants (348) | 1,240,702 | 20,926 |
| Other transmission and distribution plant (349) | | |
| Total trans. and distr. plant (340-349) | 9,839,841 | 224,510 |
| GENERAL PLANT | | |
| Land and land rights (389) | | |
| Structures and improvements (390) | | |
| Office furniture and equipment (391) | 31,455 | |
| Transportation equipment (392) | | |
| Stores equipment (393) | | |
| Tools, shop, and garage equipment (394) | 89,796 | 42,688 |
| Laboratory equipment (395) | 80,062 | |
| Power operated equipment (396) | | |
| Communication equipment (397) | 9/ 7,861 | 57,167 |
| Miscellaneous equipment (398) | 52,655 | 5,680 |
| Other tangible property (399) | | |
| Total general plant (389-399) | 261,829 | 105,535 |
| Total above plant accounts (301-399) | 24,020,425 | 707,102 |
| Common plant allocated to water department | 1,788,854 | 352,703 |
| Total water plant with common allocation | 25,809,279 | 1,059,805 |

May not cross-check due to rounding.

WATER UTILITY PLANT IN SERVICE (Continued)

| Account Number (d) | Retirements during Year (e) | Adjustments Increase or (Decrease) (f) | Balance at End of Year (g) | |
|-----------------------|--------------------------------|---|-------------------------------|--|
| 340 | | | 335 | |
| 341 | | | | |
| 342 | | | | |
| 343 | 2,358 | | 5,407,917 | |
| 344 | | | | |
| 345 | 446 | | 2,166,279 | |
| 346 | 25,591 | | 1,199,797 | |
| 347 | | | | |
| 348 | 15,622 | | 1,246,006 | |
| 349 | | | | |
| Total | 44,017 | | 10,020,334 | |
| 389 | | | | |
| 390 | | | | |
| 391 | | | 31,455 | |
| 392 | | | | |
| 393 | | | | |
| 394 | | | 132,484 | |
| 395 | | | 80,062 | |
| 396 | | | | |
| 397 | | | 65,028 | |
| 398 | | | 58,335 | |
| 399 | | | | |
| Total gen | | | 367,364 | |
| Total wtr | 64,027 | (17,403) | 24,646,097 | |
| Common | 61,669 | | 2,079,888 | |
| Total | 125,696 | (17,403) | 26,725,985 | |

Property located in Minnesota:

| | | 2002 | 2003 |
|----|-------------------|-----------|-----------|
| 1/ | Plant account 310 | 4,934 | 4,935 |
| 2/ | Plant account 313 | 98,782 | 122,236 |
| 3/ | Plant account 314 | 2,622,142 | 2,622,132 |
| 4/ | Plant account 316 | 898,104 | 898,104 |
| 5/ | Plant account 321 | 443,424 | 443,424 |
| 6/ | Plant account 325 | 188,301 | 188,301 |
| 7/ | Plant account 328 | 1,216,429 | 1,216,429 |
| 8/ | Plant account 332 | 188 | 188 |
| 9/ | Plant account 397 | 3,724 | 12,291 |
| | | <hr/> | <hr/> |
| | | 5,476,028 | 5,508,040 |

May not cross-check due to rounding.

ACCUMULATED PROVISION FOR DEPRECIATION OF WATER UTILITY PLANT

Report in column (e) additional depreciation expense authorized by Commission to be charged where tax depreciation allowances exceed book amounts.

| Primary Plant Accounts (a) | Balance First of Year (b) | S.L. Depr Rate % used (c) | Accruals during year | |
|---|---------------------------------|---------------------------------------|--------------------------------|-----------------------------|
| | | | Straight Line Amount (d) | Additional Amount (e) |
| SOURCE OF SUPPLY PLANT | | | | |
| Structures and improvements (311) | | | | |
| Collection and impoundment reservoirs (312) | 79,021 | 1.50 | 5,554 | |
| Lake, river and other intakes (313) | 51,262 | 1.43 | 3,653 | |
| Wells and springs (314) | 104,935 | 2.22 | 58,211 | |
| Infiltration galleries and tunnels (315) | | | | |
| Supply mains (316) | 15,217 | 1.43 | 30,435 | |
| Other water source plant (317) | 0 | | 0 | |
| Total source of supply plant (311-317) | 250,435 | | 97,853 | 0 |
| PUMPING PLANT | | | | |
| Structures and improvements (321) | 180,385 | 2.50 | 15,314 | |
| Boiler plant equipment (322) | | | | |
| Other power production equipment (323) | | | | |
| Steam pumping equipment (324) | | | | |
| Electric pumping equipment (325) | 400,923 | 3.33 | 26,772 | |
| Diesel pumping equipment (326) | | | | |
| Hydraulic pumping equipment (327) | | | | |
| Other pumping equipment (328) | 125,795 | 5.00 | 73,850 | |
| Total pumping plant (321-328) | 707,103 | | 115,936 | 0 |
| WATER TREATMENT PLANT | | | | |
| Structures and Improvements (331) | 539,500 | 2.22 | 49,158 | |
| Water treatment equipment (332) | 1,246,729 | 2.33 | 81,232 | |
| Total water treatment plant (331-332) | 1,786,229 | | 130,390 | 0 |
| TRANSMISSION AND DISTRIBUTION PLANT | | | | |
| Structures and Improvements (341) | | | | |
| Distribution reservoirs and standpipes (342) | | | | |
| Transmission and distribution mains (343) | 1,027,540 | 1.10 | 59,238 | |
| Fire mains (344) | | | | |
| Services (345) | 695,537 | 3.85 | 83,309 | |
| Meters (346) | 283,613 | 5.00 | 58,297 | |
| Meter installations (347) | | | | |
| Hydrants (348) | 403,323 | 5.50 | 68,384 | |
| Other transmission and distribution plant (349) | | | | |
| Total trans. and distribution plant (341-349) | 2,410,013 | | 269,228 | 0 |
| GENERAL PLANT | | | | |
| Structures and improvements (390) | | | | |
| Office furniture and equipment (391) | 28,574 | 5.88 & 25 | 313 | |
| Transportation equipment (392) | | | | |
| Stores equipment (393) | | | | |
| Tools, shop, and garage equipment (394) | 26,104 | 5.88 | 6,535 | |
| Laboratory equipment (395) | 45,517 | 5.88 | 4,708 | |
| Power operated equipment (396) | | | | |
| Communication equipment (397) | 7,861 | 10.00 | 3,645 | |
| Miscellaneous equipment (398) | 5,315 | 5.88 | 3,263 | |
| Other tangible property (399) | | | | |
| Total general plant (390-399) | 113,371 | | 18,464 | 0 |
| Total accumulated provision | 5,267,151 | | 631,871 | 0 |

May not cross-check due to rounding.

ACCUMULATED PROVISION FOR DEPRECIATION OF WATER UTILITY PLANT (Cont.)

| | Book Cost of Plant Retired (f) | Cost of Removal (g) | Salvage (h) | Other Additions or Deductions | | Balance End of Year (k) |
|-----|---|---------------------------|----------------|-------------------------------|---------------|-------------------------------|
| | | | | Debit (i) | Credit (j) | |
| | | | | | | |
| | | | | | | 84,575 |
| | | | | | | 54,915 |
| 312 | 10 | 46,980 | | | | 116,156 |
| 313 | | | | | | |
| 314 | | | | | | 45,652 |
| 315 | | | | | 8,150 | 8,150 |
| 316 | 10 | 46,980 | 0 | 0 | 8,150 | 309,448 |
| 317 | | | | | | |
| | | | | | | 195,699 |
| 321 | | | | | | |
| 322 | | | | | | |
| 323 | | | | | | |
| 324 | 20,000 | | | | | 407,695 |
| 325 | | | | | | |
| 326 | | | | | | 199,645 |
| 327 | 20,000 | 0 | 0 | 0 | 0 | 803,039 |
| 328 | | | | | | |
| | | | | | | 588,658 |
| 331 | | | | | | 1,327,961 |
| 332 | 0 | 0 | 0 | 0 | 0 | 1,916,619 |
| | | | | | | |
| 341 | | | | | | |
| 342 | 2,358 | 4,756 | | | | 1,079,664 |
| 343 | | | | | | |
| 344 | 446 | 4,823 | | | | 773,577 |
| 345 | 25,591 | | | | | 316,319 |
| 346 | | | | | | |
| 347 | 15,622 | 14,074 | 6,655 | | | 448,666 |
| 348 | | | | | | |
| 349 | 44,017 | 23,653 | 6,655 | 0 | 0 | 2,618,226 |
| | | | | | | |
| 390 | | | | | | 28,887 |
| 391 | | | | | | |
| 392 | | | | | | |
| 393 | | | | | | 32,639 |
| 394 | | | | | | 50,225 |
| 395 | | | | | | |
| 396 | | | | | | 11,506 |
| 397 | | | | | | 8,578 |
| 398 | | | | | | |
| 399 | 0 | 0 | 0 | 0 | 0 | 131,835 |
| | 64,027 | 70,633 | 6,655 | 0 | 8,150 | 5,779,167 |

May not cross-check due to rounding.

DEPRECIATION SUMMARY

| Particulars (a) | Amount (b) |
|--|---------------|
| Total depreciation expense (page W-8 columns (d) and (e)) | 631,871 |
| Less amounts charged to clearing accounts | |
| Less amortization of pre-1990 contributions in aid of construction | 28,872 |
| Less adjustment for general plant-salvage, allocated amounts | |
| Plus allocation of depreciation on common plant | 66,477 |
| Total water depreciation expense | 669,476 |
| Total reserve balance (page W-9 column (k)) | 5,779,167 |
| Plus allocation of reserve on common plant | 1,373,011 |
| Plus pre-1990 contributions in aid of construction | 57,658 |
| Total depreciation reserve for water utility | 7,209,836 |

Explanation of items on page W-9 columns (i) and (j).

line 20, column j - set up accumulated accretion of Asset Retirement Obligation (ARO), plus annual amount.

POWER AND PUMPING EQUIPMENT

Use a separate column for each well or source.

| Particulars (a) | (b) | (c) | (d) | (e) |
|---|-----|-----|-----|-----|
| System Name | | | | |
| Identification of well or source where used | | | | |
| Pumping Equipment: | | | | |
| Year installed | | | | |
| Manufacturer | | | | |
| Type (displacement, centrifugal, air lift, turbine) | | | | |
| Purpose (low lift, distribution, etc.) | | | | |
| Rated capacity (gallons per minute) | | | | |
| Actual capacity (gallons per minute) | | | | |
| Average number of hours operated per day | | | | |
| Actual discharge head (ft.) | | | | |
| Power Equipment: | | | | |
| Year installed | | | | |
| Manufacturer | | | | |
| Type (electric motor, water turbine, gas or oil engine) | | | | |
| Rated horsepower | | | | |
| Stand-by Equipment: | | | | |
| Year installed | | | | |
| Manufacturer | | | | |
| Type | | | | |

May not cross-check due to rounding.

POWER AND PUMPING EQUIPMENT

Use a separate column for each well or source.

| Particulars (a) | (b) | (c) | (d) | (e) |
|---|----------------|--------------|----------------|--------------|
| System Name | #1 | #2 | #3 | #4 |
| Identification of well or source where used | Reservoir | Reservoir | Reservoir | Reservoir |
| Pumping Equipment: | | | | |
| Year Installed | 1989 | 1989 | 1989 | 1989 |
| Manufacturer | Gould | Gould | Gould | Gould |
| Type (displacement, centrifugal, air lift, turbine) | Vert Turbine | Vert Turbine | Vert Turbine | Vert Turbine |
| Purpose (low lift, distribution, etc.) | Dist | Dist | Dist | Dist |
| Rated capacity (gallons per minute) | 1,400 | 4,200 | 2,350 | 4,200 |
| Actual capacity (gallons per minute) | Same | Same | Same | Same |
| Average number of hours operated per day | 14.2 | 0.1 | 7.8 | 0.1 |
| Actual discharge head (ft.) | 138 | 138 | 138 | 138 |
| Power Equipment: | | | | |
| Year Installed | 1989 | 1989 | 1989 | 1989 |
| Manufacturer | U S Motor | Waukesha | U S Motor | Waukesha |
| Type (electric motor, water turbine, gas or oil engine) | Electric Motor | Natural Gas | Electric Motor | Natural Gas |
| Rated horsepower | 75 | 252 | 125 | 252 |
| Stand-by Equipment: | | | | |
| Year Installed | 1989 | | | |
| Manufacturer | Cummins | | | |
| Type | Elect Gen | | | |

POWER AND PUMPING EQUIPMENT

Use a separate column for each well or source.

| Particulars (a) | (b) | (c) | (d) | (e) |
|---|----------------|----------------|----------------|----------------|
| System Name | #5 | #6 | #PPW P1 | #PPW P2 |
| Identification of well or source where used | Reservoir | Reservoir | Collector Well | Collector Well |
| Pumping Equipment: | | | | |
| Year Installed | 1989 | 1989 | 2001 | 2001 |
| Manufacturer | Gould | Gould | Gould | Gould |
| Type (displacement, centrifugal, air lift, turbine) | Vert Turbine | Vert Turbine | Vert Turbine | Vert Turbine |
| Purpose (low lift, distribution, etc.) | Dist | Dist | Low Lift | Low Lift |
| Rated capacity (gallons per minute) | 2,350 | 2,350 | 4,200 | 4,200 |
| Actual capacity (gallons per minute) | Same | Same | Same | Same |
| Average number of hours operated per day | 11.2 | 11.6 | 9.2 | 14.8 |
| Actual discharge head (ft.) | 138 | 138 | 77 | 77 |
| Power Equipment: | | | | |
| Year Installed | 1989 | 1989 | 2001 | 2001 |
| Manufacturer | U S Motor | U S Motor | US Motor | US Motor |
| Type (electric motor, water turbine, gas or oil engine) | Electric Motor | Electric Motor | Electric Motor | Electric Motor |
| Rated horsepower | 125 | 125 | 125 | 125 |
| Stand-by Equipment: | | | | |
| Year Installed | | | 1999 | |
| Manufacturer | | | Kohler | |
| Type | | | Elect Gen | |

POWER AND PUMPING EQUIPMENT

Use a separate column for each well or source.

| Particulars (a) | (b) | (c) | (d) | (e) |
|---|-----|-----|-----|-----|
| System Name | | | | |
| Identification of well or source where used | | | | |
| Pumping Equipment: | | | | |
| Year Installed | | | | |
| Manufacturer | | | | |
| Type (displacement, centrifugal, air lift, turbine) | | | | |
| Purpose (low lift, distribution, etc.) | | | | |
| Rated capacity (gallons per minute) | | | | |
| Actual capacity (gallons per minute) | | | | |
| Average number of hours operated per day | | | | |
| Actual discharge head (ft.) | | | | |
| Power Equipment: | | | | |
| Year Installed | | | | |
| Manufacturer | | | | |
| Type (electric motor, water turbine, gas or oil engine) | | | | |
| Rated horsepower | | | | |
| Stand-by Equipment: | | | | |
| Year Installed | | | | |
| Manufacturer | | | | |
| Type | | | | |

POWER AND PUMPING EQUIPMENT

Use a separate column for each well or source.

| Particulars (a) | (b) | (c) | (d) | (e) |
|---|-----|-----|-----|-----|
| System Name | | | | |
| Identification of well or source where used | | | | |
| Pumping Equipment: | | | | |
| Year Installed | | | | |
| Manufacturer | | | | |
| Type (displacement, centrifugal, air lift, turbine) | | | | |
| Purpose (low lift, distribution, etc.) | | | | |
| Rated capacity (gallons per minute) | | | | |
| Actual capacity (gallons per minute) | | | | |
| Average number of hours operated per day | | | | |
| Actual discharge head (ft.) | | | | |
| Power Equipment: | | | | |
| Year Installed | | | | |
| Manufacturer | | | | |
| Type (electric motor, water turbine, gas or oil engine) | | | | |
| Rated horsepower | | | | |
| Stand-by Equipment: | | | | |
| Year Installed | | | | |
| Manufacturer | | | | |
| Type | | | | |

RESERVOIRS, STANDPIPES AND WATER TREATMENT PLANT

Use separate columns for each reservoir, standpipe, or water treatment plant as the case may be, using insert sheets if necessary.

| Particulars (a) | Unit (b) | Unit (c) | Unit (d) | Unit (e) |
|---|---------------------------------------|-------------|-------------|-------------|
| System Name | | | | |
| Unit Name | | | | |
| RESERVOIRS, STANDPIPES OR ELEVATED TANKS | | | | |
| Identification number or name | Large | Small | | |
| Type (reservoir, standpipe or elevated tank) | Reservoir | Reservoir | | |
| Year constructed | 1911 | 1900 | | |
| Material (earthen, steel, concrete, etc.) | Concrete | Concrete | | |
| Elevation above nearest pumping station | 0 | 0 | | |
| Distance from nearest pumping station | 30' | 30' | | |
| Total capacity in gallons | 1,000,000 | 350,000 | | |
| WATER TREATMENT PLANT | | | | |
| Function of plant --filter, soften, etc. | Filter | | | |
| Aerators, type | None | | | |
| Disinfection type of equipment | Chlorination | | | |
| Number of units | 3 | | | |
| Points of application | 3 | | | |
| Pounds per million gallons | 19.8 | | | |
| Coagulants, kind | PAC & Non Ionic Polymer | | | |
| Pounds per million gallons | 164.1 | 1.1 | | |
| Mixing units, type | Flash | | | |
| Flocculators, type | Vertical | | | |
| Sedimentation basins, type | Rectangle | | | |
| Filters, type, slow, rapid | Rapid | | | |
| Number of beds | 4 | | | |
| Rated capacity, m.g.d. | 6 | | | |
| Zeolite units, number | None | | | |
| Rated capacity, m.g.d. | | | | |
| Percent of water by-passed | | | | |
| Salt used, pounds per million gallons | None | | | |
| Hardness of water treated | | | | |
| Corrosion control, chemical agent | Orthopolyphosphate & Sodium Hydroxide | | | |
| Pounds per million gallons | 31.4 | 129.2 | | |
| Taste and odor control, agent | Potassium Permanganate | | | |
| Pounds per million gallons | None | | | |
| Is water fluoridated? | Yes | | | |
| Rated capacity of plant (m.g.d.) | 6 | | | |

RESERVOIRS, STANDPIPES AND WATER TREATMENT PLANT

Use separate columns for each reservoir, standpipe, or water treatment plant as the case may be, using insert sheets if necessary.

| Particulars (a) | Unit (b) | Unit (c) | Unit (d) | Unit (e) |
|---|-------------|-------------|-------------|-------------|
| System Name | | | | |
| Unit Name | | | | |
| RESERVOIRS, STANDPIPES OR ELEVATED TANKS | | | | |
| Identification number or name | | | | |
| Type (reservoir, standpipe or elevated tank) | | | | |
| Year constructed | | | | |
| Material (earthen, steel, concrete, etc.) | | | | |
| Elevation above nearest pumping station | | | | |
| Distance from nearest pumping station | | | | |
| Total capacity in gallons | | | | |
| WATER TREATMENT PLANT | | | | |
| Function of plant --filter, soften, etc. | | | | |
| Aerators, type | | | | |
| Disinfection type of equipment | | | | |
| Number of units | | | | |
| Points of application | | | | |
| Pounds per million gallons | | | | |
| Coagulants, kind | | | | |
| Pounds per million gallons | | | | |
| Mixing units, type | | | | |
| Flocculators, type | | | | |
| Sedimentation basins, type | | | | |
| Filters, type, slow, rapid | | | | |
| Number of beds | | | | |
| Rated capacity, m.g.d. | | | | |
| Zeolite units, number | | | | |
| Rated capacity, m.g.d. | | | | |
| Percent of water by-passed | | | | |
| Salt used, pounds per million gallons | | | | |
| Hardness of water treated | | | | |
| Corrosion control, chemical agent | | | | |
| Pounds per million gallons | | | | |
| Taste and odor control, agent | | | | |
| Pounds per million gallons | | | | |
| Is water fluoridated? | | | | |
| Rated capacity of plant (m.g.d.) | | | | |

SOURCES OF WATER SUPPLY - SURFACE WATERS

[illegible]

SOURCES OF WATER SUPPLY - GROUND WATERS

[illegible]

WATER MAINS

Report supply, transmission, distribution, and fire mains under separate captions and report number of feet at end of year for each water system.

| Kind of Pipe (Cast Iron, Galv. Iron, Transite, etc.) (a) | Diameter in Inches (b) | No. of Feet (c) | No. of Feet (d) |
|--|------------------------------|--------------------|--------------------|
| System Name | | | |
| Copper, Galvanized Steel and PE | 3/4 | 22,918 | |
| | 1 | 22,113 | |
| | 1 1/4 | 8,018 | |
| | 1 1/2 | 7,108 | |
| | 2 | 46,361 | |
| Cast Iron | 4 | 18,646 | |
| Cast Iron, Ductile Iron, Steel and PVC | 6 | 344,181 | |
| | 8 | 69,780 | |
| | 10 | 18,436 | |
| | 12 | 152,670 | |
| | 14 | 990 | |
| | 16 | 13,286 | |
| | 20 | 13,304 | |
| | 24 | 4,749 | |
| | | | |
| | | | |
| | | | |
| | | | |
| Total | | 742,560 | |

WATER SERVICES

Report number of services as of end of year for each separate water system.

| Service Type (a) | Diameter in Inches (b) | Number (c) | Number (d) |
|---|------------------------------|---------------|---------------|
| System Name | | | |
| | 3/4 | 7,265 | |
| | 1 | 1,439 | |
| | 1 1/4 | 66 | |
| | 1 1/2 | 109 | |
| | 2 | 141 | |
| | 2 1/2 | 3 | |
| | 3 | 6 | |
| | 4 | 74 | |
| | 6 | 93 | |
| | 8 | 19 | |
| | 10 | 5 | |
| | 12 | 7 | |
| | | | |
| | | | |
| | | | |
| | | | |
| Total | | 9,227 | |
| List separately the number of units and size of pipe supplying private fire-protection service: | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Total | | | |

HYDRANTS

| Description Size of Branch or Valve Opening (a) | (b) | (b) |
|---|-------|-----|
| System Name | | |
| Fire Hydrants: | | |
| 4" with double hose nozzle | 59 | |
| 4" and steamer | 181 | |
| 4 1/2" | 254 | |
| 5" | 568 | |
| 6" | 3 | |
| Flushing Hydrants: | | |
| Other: | | |
| Total | 1,065 | |

SALES FOR RESALE

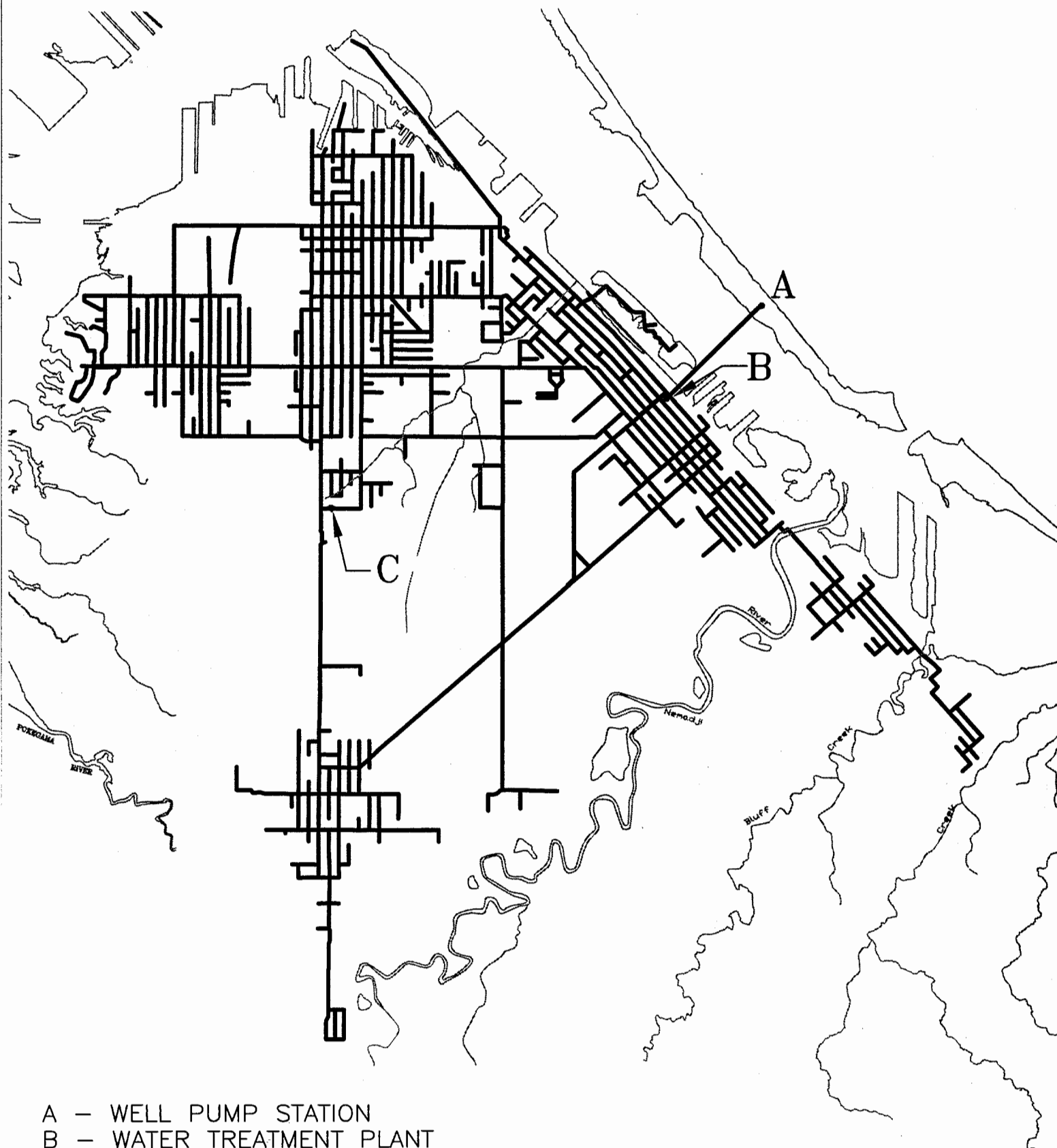
| Customer Name (a) | Point of Delivery (b) | Thousands of Gallons Sold (c) | Revenues (d) |
|----------------------|--------------------------|-------------------------------------|-----------------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Total | | 0 | 0 |

POWER, PUMPING AND PURCHASED WATER STATISTICS

Complete duplicate W-19 pages for each separate water system.

| Monthly Station Pumpage and Purchases (a) | Thousands of gallons of water purchased (b) | Thousands of gallons of water pumped per month by | | Total thousands of gallons (e) |
|---|---|---|--------------------------|---|
| | | Electric Power (c) | Nat. Gas Other (d) | |
| System Name | | | | |
| January | | 102,853 | 966 | 103,819 |
| February | | 93,419 | 695 | 94,114 |
| March | | 107,388 | 789 | 108,177 |
| April | | 99,095 | 827 | 99,922 |
| May | | 84,976 | 603 | 85,579 |
| June | | 99,111 | 667 | 99,778 |
| July | | 104,764 | 816 | 105,580 |
| August | | 112,641 | 883 | 113,524 |
| September | | 102,665 | 796 | 103,461 |
| October | | 96,556 | 871 | 97,427 |
| November | | 90,923 | 748 | 91,671 |
| December | | 93,959 | 1,006 | 94,965 |
| Total | 0 | 1,188,350 | 9,667 | 1,198,017 |
| Less: Meas. or est. water used in backwashing during year (000 gal.) | | | | 29,310 |
| Meas. or est. water for blow, settling basins during year (000 gal.) | | | | |
| Other utility use (Explain) (000 gal.) | Flushing Mains | | | 3,947 |
| Water pumped into distribution mains (000 gal.) | | | | 1,164,760 |
| Less: Gallons sold (From page W-1, line 32) | | | | 1,050,026 |
| Losses and unaccounted for (000 gal.) | | | | 114,734 |
| Percent unaccounted for (line 30 / line 28) to the whole % | | | | 10% |
| If more than 25%, indicate causes below and state what action has been taken to reduce water loss: | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Max. gal pumped by all methods in any one day during reporting year | | | | 4,571 |
| Date of Maximum (mo/da/yr) | | | | 8/22/2003 |
| Cause of maximum: | | | | |
| | | | | |
| | | | | |
| Min. gal pumped by all methods in any one day during reporting year | | | | 2,395 |
| Date of Minimum (mo/da/yr) | | | | 5/20/2003 |
| Total kWh used for pumping for the year | | | | 1,328,645 |
| Recommended fire flow from latest I.S.O. rating in gpm | | | | 4,500 |
| For how long in hours | | | | 4 |
| Maximum pressure on mains - ordinary | | | | 63 |
| Minimum pressure on mains - ordinary | | | | 53 |
| Maximum pressure on mains - fire | | | | 68 |
| Minimum pressure on mains - fire | | | | 51 |
| Average static head in feet | | | | 130.5 |
| If water is purchased, indicate the following: | | | | |
| Vendor name | | | | |
| Point of Delivery | | | | |

SUPERIOR WATER, LIGHT & POWER WATER SYSTEM



- A — WELL PUMP STATION
- B — WATER TREATMENT PLANT
- C — BOOSTER PUMP STATION

DATE REVISED: 2-27-03

| | | | |
|---|---|---------------------------------------|---------------------------------|
| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|---|---------------------------------------|---------------------------------|

SECURITY HOLDERS AND VOTING POWERS

1. Give the names and addresses of the 10 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent, prior to the end of the year had the highest voting powers in the respondent, and state the number of votes which each would have had the right to cast on that date if a meeting were then in order. If any such holder held in trust, give in a footnote the known particulars of the trust(whether voting trust, etc.) duration of trust, and principal holders of beneficiary interests in the trust. If the stock book was not closed or a list of stockholders was not compiled within one year prior to the end of the year, or if since the previous compilation of a List of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.
2. If any security other than stock carries voting rights, explain in a footnote the circumstances whereby such security became vested with voting rights give other important particulars (details) concerning voting rights of such security. State whether voting right are actual or contingent; if contingent, describe the contingency.
3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method explain briefly in a footnote.
4. Furnish particulars (details) concerning any options warrants, or rights outstanding at the end of the year others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or right the amount of such securities or assets so entitled to purchased by any officer, director, associated company, or of the ten largest security holders. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the public where the options, warrants, or rights were issued prorata basis.

| | | |
|---|---|--|
| 1. Give the date of the latest closing of the stock book prior to end of year, and state the purpose of such closing: | 2. State the total number of votes cast at the latest general meeting prior to end of year for election of directors of the respondent and number of such votes cast by proxy Total: 52,000 By Proxy: | 3. Give the date and place of such meeting March 6, 2003 30 West Superior Street Duluth, MN 55802 |
|---|---|--|

| Line No. | Name (Title) and Address of Security Holder (a) | VOTING SECURITIES Number of Votes as of (date): March 6, 2003 | | | |
|----------|--|--|---------------------|------------------------|--------------|
| | | Total Votes (b) | Common Stock (c) | Preferred Stock (d) | Other (e) |
| 4 | TOTAL votes of all voting securities | 52,000 | 52,000 | | |
| 5 | TOTAL number of security holders | 1 | 1 | | |
| 6 | TOTAL votes of security holders listed below | 52,000 | 52,000 | | |
| 7 | ALLETE, Inc. (formerly Minnesota | | | | |
| 8 | Power, Inc.) | | | | |
| 9 | 30 West Superior Street | | | | |
| 10 | Duluth, MN 55802 | | | | |
| 11 | | | | | |
| 12 | | | | | |
| 13 | | | | | |
| 14 | | | | | |
| 15 | | | | | |
| 16 | | | | | |
| 17 | | | | | |
| 18 | | | | | |

| | | | |
|---|---|---------------------------------------|---------------------------------|
| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|---|---------------------------------------|---------------------------------|

CONSTRUCTION OVERHEADS - ELECTRIC

1. List in column (a) to kinds of overheads according to the titles used by the respondent. Charges for outside professional services for engineering fees and management or supervision fees capitalized should be shown as separate items. 2. On Page 218 furnish information concerning construction overheads. 3. A respondent should not report "none" to the page if no overhead apportionments are made, but rather should explain on Page 218 the accounting procedures, employed and the amounts of engineering, supervision and administrative costs, etc. which are directly charged to construction. 4. Enter on this page engineering, supervision, administrative, and allowance for funds used during construction, etc., which are first assigned to a blanket work order and then prorated to construction jobs.

| Line No. | Description of overhead (a) | Total amount charged for the year (b) |
|----------|------------------------------------|---------------------------------------|
| 1 | Administrative and General Expense | 53,795 |
| 2 | Payroll Taxes | 11,370 |
| 3 | Employee Benefits | 51,358 |
| 4 | | |
| 5 | | |
| 6 | | |
| 7 | | |
| 8 | | |
| 9 | | |
| 10 | | |
| 11 | | |
| 12 | | |
| 13 | | |
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| 29 | | |
| 30 | | |
| 31 | | |
| 32 | | |
| 33 | | |
| 34 | | |
| 35 | | |
| 36 | | |
| 37 | | |
| 38 | | |
| 39 | | |
| 40 | | |
| 41 | | |
| 42 | | |
| 43 | | |
| 44 | | |
| 45 | | |
| 46 | TOTAL | 116,523 |

| | | | |
|---|---|---------------------------------------|---------------------------------|
| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|---|---------------------------------------|---------------------------------|

GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE

- For each construction overhead explain: (a) the nature and extent of work, etc. the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.
- Show below the computation of allowance for funds used during construction rates, in accordance with the provisions of Electric Plant instructions 3(17) of the U.S. of A.
- Where a net-of-tax rate for borrowed funds is used, show the appropriate tax effect adjustment to the computations below in a manner that clearly indicates the amount of reduction in the gross rate for tax effects.

A percentage allocated to construction was determined based on judgement as well as time, of the amount of salary, office expenses and other administrative expenses which is allocable to construction. The yearly amount for 2003 was equal to 8% of direct costs of construction additions charged to work in progress monthly and credited to this account.

Payroll taxes and employee benefits are allocated based on the actual labor dollars processed through the monthly labor distribution. For purchased additions such as meters, transformers, autos, etc., as well as construction work by contractors, zero is applied to construction work in progress or credited to this account.

COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES

For line 1(5), column (d) below, enter the rate granted in the last rate proceeding. If such is not available, use the average rate earned during the preceding three years.

- Components of Formula (Derived from actual book balances and actual cost rates):

| Line No. | Title (a) | Amount (b) | Capitalization Ratio(Percent) (c) | Cost Rate Percentage (d) |
|----------|---|---------------|--------------------------------------|-----------------------------|
| 1 | Average Short-Term Debt & Computation of Allowance text | S | | |
| 2 | Short-term Interest | | | s |
| 3 | Long-Term Debt | D | | d |
| 4 | Preferred Stock | P | | p |
| 5 | Common Equity | C | | c |
| 6 | Total Capitalization | | | |
| 7 | Average Construction Work in Progress Balance | W | | |

- Gross Rate for Borrowed Funds

$$s \left(\frac{S}{W} \right) + d \left(\frac{D}{D+P+C} \right) \left(1 - \frac{S}{W} \right)$$

- Rate for Other Funds

$$\left[1 - \frac{S}{W} \right] \left[p \left(\frac{P}{D+P+C} \right) + c \left(\frac{C}{D+P+C} \right) \right]$$

- Weighted Average Rate Actually Used for the Year:

- Rate for Borrowed Funds -
- Rate for Other Funds -

| | | | |
|---|---|---------------------------------------|---------------------------------|
| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|---|---------------------------------------|---------------------------------|

NONUTILITY PROPERTY (Account 121)

1. Give a brief description and state the location of Nonutility property included in Account 121.
2. Designate with a double asterisk any property which is Leased to another company. State name of Lessee and whether Lessee is an associated company.
3. Furnish particulars (details) concerning sales, purchases, or transfers of Nonutility Property during the year.
4. List separately all property previously devoted to public service and give date of transfer to Account 121, Nonutility Property.
5. Minor Items (5% of the Balance at the End of the Year), for Account 121 or \$100,000, whichever is Less) may be-grouped by (1) previously devoted to public service (Line 44), or (2) other Nonutility property (Line 45).

| Line No. | Description and Location (a) | Balance of Beginning of Year (b) | Purchases, Sales, Transfers, etc. (c) | Balance at End of Year (d) |
|----------|---|-------------------------------------|--|-------------------------------|
| 1 | Land and Land Rights From Old Line 3 Right of Way | 27,459 | | 27,459 |
| 2 | | | | |
| 3 | Land From Old Storage Plant | 14,220 | | 14,220 |
| 4 | | | | |
| 5 | | | | |
| 6 | | | | |
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| 39 | | | | |
| 40 | | | | |
| 41 | | | | |
| 42 | | | | |
| 43 | | | | |
| 44 | Minor Item Previously Devoted to Public Service | 203 | | 203 |
| 45 | Minor Items-Other Nonutility Property | | | |
| 46 | TOTAL | 41,882 | 0 | 41,882 |

| | | | |
|---|---|---------------------------------------|---------------------------------|
| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) / / | Year of Report Dec. 31, 2003 |
|---|---|---------------------------------------|---------------------------------|

NUMBER OF ELECTRIC DEPARTMENT EMPLOYEES

1. The data on number of employees should be reported for the payroll period ending nearest to October 31, or any payroll period ending 60 days before or after October 31.

2. If the respondent's payroll for the reporting period includes any special construction personnel, include such employees on line 3, and show the number of such special

construction employees in a footnote.

3. The number of employees assignable to the electric department from joint functions of combination utilities may be determined by estimate, on the basis of employee equivalents. Show the estimated number of equivalent employees attributed to the electric department from joint functions.

| | |
|--|------------|
| 1. Payroll Period Ended (Date) | 12/12/2003 |
| 2. Total Regular Full-Time Employees | 11 |
| 3. Total Part-Time and Temporary Employees | 16 |
| 4. Total Employees | 27 |

| | | | |
|--|---|--------------------------------|---------------------------------|
| Name of Respondent Superior Water, Light and Power Company | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) | Year of Report Dec. 31, 2003 |
|--|---|--------------------------------|---------------------------------|

PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS

Report the information specified below, in the order given, for the respective income deduction and interest charges account. Provide a subheading for each account and a total for the account. Additional columns may be added if deemed appropriate with respect to any account.

(a) Miscellaneous Amortization (Account 425): Describe the nature of items included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization.

(b) Miscellaneous Income Deductions: Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than 5% of each account total for the year (or \$1,000, whichever is greater) may be grouped by classes within the above accounts.

(c) Interest on Debt to Associated Companies (Account 430) -- For each associated company to which interest on debt was incurred during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.

(d) Other Interest Expense (Account 431) -- Report particulars (details) including the amount and interest rate for other interest charges incurred during the year.

| Line No. | Item (a) | Amount (b) |
|----------|---|------------|
| 1 | 426.1 Miscellaneous Income Deductions - Donations | |
| 2 | United Way | 13,000 |
| 3 | YMCA - Capital Campaign | 15,000 |
| 4 | Miscellaneous | 9,978 |
| 5 | | |
| 6 | Subtotal (426.1) | 37,978 |
| 7 | | |
| 8 | 426.2 Miscellaneous Income Deductions - Life Insurance | (4,076) |
| 9 | | |
| 10 | 426.3 Miscellaneous Income Deductions - Penalties | - |
| 11 | | |
| 12 | 426.4 Miscellaneous Income Deductions - Certain Civic, Political and Related Activities | |
| 13 | | 438 |
| 14 | | |
| 15 | 426.5 Miscellaneous Income Deductions - Other | (313) |
| 16 | | |
| 17 | Total (426) | 34,027 |
| 18 | | |
| 19 | | |
| 20 | | |
| 21 | 430 Interest on Debt to Associated Companies | 126,744 |
| 22 | | |
| 23 | Total (430) | 126,744 |
| 24 | | |
| 25 | | |
| 26 | | |
| 27 | 431 Other Interest Expense | |
| 28 | Customer Deposits | 1,200 |
| 29 | LESOP | (6,706) |
| 30 | Deferred Employee Benefits | 61,356 |
| 31 | Miscellaneous | 378 |
| 32 | | |
| 33 | Total (431) | 56,228 |
| 34 | | |
| 35 | | |
| 36 | | |
| 37 | | |
| 38 | | |
| 39 | | |
| 40 | | |
| 41 | | |

| Name of Respondent Superior Water, Light and Power Company | | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | | Date of Report (Mo, Da, Yr) | Year of Report Dec. 31, <u>2003</u> |
|--|---|---|-------------------|---------------------------------|--|
| ELECTRIC DISTRIBUTION METERS AND LINE TRANSFORMERS | | | | | |
| <p>1. Report below the information called for concerning distribution watt-hour meters and line transformers.</p> <p>2. Include watt-hour demand distribution meters, but not external demand meters.</p> <p>3. Show in a footnote the number of distribution watt-hour meters or line transformers held by the respondent under lease from others, jointly owned with others, or held otherwise than by reason of sole ownership by the respondent. If 500 or more meters or line transformers are held under a lease, give name of lessor, date and period of lease, and annual rent. If 500 or more meters or line transformers are held other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of accounting for expenses between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.</p> | | | | | |
| Line No. | Item (a) | Number of Watt-hour Meters (b) | LINE TRANSFORMERS | | |
| | | | Number (c) | Total capacity (in (MVa) (d) | |
| 1 | Number at Beginning of Year | 15,395 | 2,277 | 108,665 | |
| 2 | Additions During Year | | | | |
| 3 | Purchases | 575 | 40 | 1,270 | |
| 4 | Associated with Utility Plant Acquired | | | | |
| 5 | TOTAL Additions (Enter Total of lines 3 and 4) | 575 | 40 | 1,270 | |
| 6 | Reductions During Year | | | | |
| 7 | Retirements | 288 | 20 | 481 | |
| 8 | Associated with Utility Plant Sold | | | | |
| 9 | TOTAL Reductions (Enter Total of lines 7 and 8) | 288 | 20 | 481 | |
| 10 | Number at End of Year (Lines 1 + 5 - 9) | 15,682 | 2,297 | 109,454 | |
| 11 | In Stock | 1,547 | 154 | 9,670 | |
| 12 | Locked Meters on Customers' Premises | 84 | | | |
| 13 | Inactive Transformers on System | | | | |
| 14 | In Customers' Use | 14,024 | 2,132 | 99,054 | |
| 15 | In Company's Use | 27 | 11 | 730 | |
| 16 | TOTAL End of Year (Total 11 to 15. This should equal line 10) | 15,682 | 2,297 | 109,454 | |

